

CITY OF COMMERCE GENERAL PLAN
HOUSING ELEMENT

Adopted by the
Commerce City Council
on June 5, 1990

Resolution No. 90-24

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REPORT ON OBSERVATION

DATE

NAME OF THE UNIT

NAME OF THE OBSERVER

1. STATEMENT OF THE PROBLEM
2. STATEMENT OF THE PURPOSE
3. STATEMENT OF THE OBJECTIVES

4. STATEMENT OF THE SIGNIFICANCE
5. STATEMENT OF THE SCOPE

6. STATEMENT OF THE LIMITATIONS

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1.0 INTRODUCTION

1.1 State Requirements

Within the last 10 years, the State Legislature has focused increased attention on housing issues in California. The State's growing population, particularly in the heavily urbanized areas of Los Angeles County, has placed increasing demands on the housing stock available to all income levels.

In recognition of the need of all persons to have sound, safe and affordable housing, the State has established definitive guidelines for General Plan Housing Elements. The Commerce General Plan Housing Element is contained in two documents which together fulfill the requirements of State Law. These documents are the Commerce General Plan Housing Element and the Housing Element Technical Report which serves as a technical appendix to the element. This element is organized in a manner which will facilitate updating in accordance with State General Plan guidelines.

The Housing Element provides an overview of existing conditions, projects five year housing needs, and proposes goals and policies which will work toward making safe and sound housing available to all income groups in the City. The Technical Report contains necessary background data. Table H-1 summarizes the State requirements for housing elements and indicates how the Element and the Technical Report together fulfill those requirements.

State Law is very specific concerning the preparation and content of housing elements. The State Legislature understands their importance in implementing statewide goals for providing decent and suitable housing for all persons. The Legislature also recognizes the importance of providing affordable housing to households with low or moderate incomes. State Law makes it clear that the provision of affordable housing is the responsibility of all local governments and, using vested powers, local governments should make a conscious effort to see that there are housing

TABLE H-1
STATE HOUSING ELEMENT REQUIREMENTS

Required Housing Element Component	Reference
<u>A. Housing Needs Assessment</u>	
1. Analysis of population trends in Commerce	Technical Report Section 1.2
2. Analysis of employment trends in Commerce	Technical Report Section 1.5
3. Projection and quantification of Commerce's existing and projected housing needs for all income groups	Housing Element Section 2.1
4. Analysis and documentation of Commerce's housing characteristics including the following:	
a. level of housing cost compared to ability to pay;	Technical Report Section 1.4
b. overcrowding;	Technical Report Section 1.4
c. housing stock condition.	Technical Report Section 1.3
5. An inventory of land suitable for residential development including vacant sites and sites having redevelopment potential	Technical Report Section 1.7
6. Analysis of existing and potential governmental constraints upon the maintenance, improvement, or development of housing for all income levels	Technical Report Section 1.6
7. Analysis of existing and potential non-governmental (private sector) constraints upon maintenance, improvement, or development of housing for all income levels	Technical Report Section 1.6
8. Analysis of special housing needs: (handicapped, elderly, large families, farm workers, and female-headed households	Technical Report Section 1.4

STATE POLICE REPORT

REPORT NO. 100-100000

DATE: 10/10/1964

1. On 10/10/64, at approximately 10:00 AM, the undersigned was contacted by the following person(s):
2. Name of person(s):
3. Address of person(s):
4. Telephone number of person(s):
5. Name of person(s) to whom report was made:
6. Address of person(s) to whom report was made:
7. Telephone number of person(s) to whom report was made:
8. Name of person(s) who made report:
9. Address of person(s) who made report:
10. Telephone number of person(s) who made report:
11. Name of person(s) who received report:
12. Address of person(s) who received report:
13. Telephone number of person(s) who received report:
14. Name of person(s) who investigated report:
15. Address of person(s) who investigated report:
16. Telephone number of person(s) who investigated report:
17. Name of person(s) who reviewed report:
18. Address of person(s) who reviewed report:
19. Telephone number of person(s) who reviewed report:
20. Name of person(s) who approved report:
21. Address of person(s) who approved report:
22. Telephone number of person(s) who approved report:
23. Name of person(s) who filed report:
24. Address of person(s) who filed report:
25. Telephone number of person(s) who filed report:

TABLE H-1 (continued)

Required Housing Element Component	Reference
9. Analysis concerning the needs of the homeless in Commerce	Technical Report Section 1.4
10. Analysis of opportunities for energy conservation with respect to residential development	Technical Report Section 1.7
B. <u>Goals, Objectives, and Policies</u>	
1. Identification of the City of Commerce's community goal relative to maintenance, improvement, and development of housing	Housing Element Section 3.0
2. Quantified objectives and policies relative to the maintenance, improvement, and development of housing in Commerce	Housing Element Sections 2.2, 3.0
C. <u>Implementation Program</u>	
An implementation program should do the following:	
1. Identify adequate sites which will be made available through appropriate action with required public services and facilities for a variety of housing types for all income levels	Housing Element Section 2.2
2. Program to assist in the development of adequate housing to meet the needs of low and moderate income households	Housing Element Section 2.2
3. Identify and, when appropriate and possible, remove governmental constraints to the maintenance, improvement, and development of housing in Commerce	Housing Element Section 2.2
4. Conserve and improve the condition of the existing affordable housing stock in Commerce	Housing Element Section 2.2

opportunities for all income groups (Section 65580). The intent of the State housing element requirements is based on the following concerns (Section 65581):

- ° Local governments should recognize their responsibilities in contributing to the attainment of the State's housing goals.
- ° Cities and counties should prepare and implement housing elements coordinated with State and Federal efforts in achieving the State's housing goal.
- ° Each local jurisdiction should participate in determining the necessary efforts required to attain the State's housing goals.
- ° Each local government must cooperate with other local governments to address regional housing needs.

State requirements for the preparation of housing elements outline the types of analysis needed to assess existing and projected housing needs. In addition to the analysis, State Law specifies the nature of the community goals and the detail required in objectives and policies as they relate to housing. Finally, the State Law contains very specific information concerning the content and effect of programs identified to implement the housing element.

The Commerce Housing Element fulfills State requirements for housing element content. More importantly, however, the Element defines very specific programs which will satisfy the identified housing needs for all income groups. Furthermore, the Element proposes programs to protect the City's unique housing resources.

Public Participation

The City of Commerce undertook a comprehensive General Plan update, including the Housing Element, in 1987. Pursuant to the update cycle for jurisdictions in the SCAG region, this Housing Element serves as an update to the adopted 1987 Housing Element.

The citizens of Commerce played an important role in developing the goals and policies presented in the Housing Element. First, many citizens responded to a questionnaire which was distributed to all households as part of the General Plan update. Second, a citizen's advisory group met five times early in the planning process to discuss, among other things, the future of the City's residential neighborhoods. The group was instrumental in identifying housing issues, in preparing goals and policies and in establishing land use policy for the City's five distinct neighborhood areas.

Once a preferred land use policy alternative was developed, City staff held four neighborhood meetings to discuss proposed residential land use policy. The meetings were well attended. Many residents also attended the General Plan public hearings held before the Planning Commission and City Council. Commerce citizens provided input from the beginning to the end of the General Plan process.

This Housing Element update builds upon the issues, goals and policies developed as part of the 1987 General Plan. Public participation on the updated Housing Element is provided in the form of public hearings. Following the preparation of the Draft Housing Element and its review by staff, the Planning Commission conducts public hearings on the Element. Subsequent to Planning Commission action and recommendations to City Council, further public hearings will be held at the City Council level. All public hearings are advertised in the newspaper, with notices mailed to interested citizens and community groups. Once the public hearings and related reviews are completed, the City Council will formally adopt the Element.

Relationship To Other General Plan Elements

The six elements which comprise the Commerce General Plan are required by law to be internally consistent. Together these elements provide the framework for development of those facilities, services and land uses necessary to address the

needs and desires of the City's residents. To ensure that these needs are clearly addressed throughout the General Plan, the elements must be interrelated and interdependent.

The Commerce General Plan has recently undergone a comprehensive update (9/87) and reflects current City policies. As such, this Housing Element update builds upon the other General Plan elements and is entirely consistent with the policies and proposals set forth by the Plan.

1.2 Issues Identification

Virtually all of the land area within the City limits was developed when the City incorporated in 1960. Over the years, the lack of available land has presented unique challenges to the City in its efforts to provide housing for its growing population. Innovative redevelopment projects and strong housing rehabilitation programs have led to improvements in both the quantity and quality of available housing. However, the average household size continues to grow, placing increased pressures on the existing housing stock.

Nearly 95 percent of the City's residents live in five well defined neighborhoods. The neighborhoods are scattered throughout the City. Most housing units in these neighborhoods were built before 1960, and some units show signs of age and wear. In general, however, the housing stock is in good condition.

A detailed analysis of demographic and population characteristics in the City of Commerce reveals the following issues and trends:

- ° The average household size is increasing due to trends towards larger families. In 1980, the U.S. Census reported the average household size to be 3.59 persons. By 1989, the average household size had increased to 3.62 persons as reported in population estimates prepared by the State Department of Finance.
- ° Hispanics continue to comprise a high percentage (93 percent) of the City's population.
- ° There has been an increase in the number and percentage of elderly residents (over 65) in the City. The City's population as a whole has aged, although the median age (25.8 years) remains lower than the County median (28.7 years).
- ° A significant number of households in Commerce are overcrowded, and many garages have been illegally converted for living quarters.

- ° Median household income in Commerce is significantly below that for the County (\$38,000), and the number and proportion of lower income households in Commerce have increased.
- ° While housing costs in Commerce are relatively inexpensive in comparison to the region, overall lower incomes in Commerce result in a significant number of households overpaying for housing.
- ° Both the number and proportion of multi-family units in Commerce have increased over time.
- ° Approximately 10 percent of the City's housing stock could be considered as candidates for participation in rehabilitation programs.
- ° The City has an historic low vacancy rate for housing units.

Although the City's population is increasing and limited physical space exists for residential expansion, many opportunities are available for improving and expanding the housing stock. These opportunities include:

- ° Housing Set Aside - The City Redevelopment Agency maintains an active residential set aside program which continues to provide new housing for low to moderate income groups.
- ° Civic Responsibility - City residents have great pride in ownership and take advantage of available housing rehabilitation programs. These programs are outlined in detail in Section 2.3 of this element.
- ° Code Enforcement - The City has a strong code enforcement program which, combined with the City's rehabilitation assistance program, works to improve the condition and appearance of single and multiple-family units.

1.3 Housing Constraints

The City of Commerce recognizes the need for sound, decent housing that is accessible to all income levels. However, numerous constraints must be overcome to produce the quantity and quality of housing required to satisfy the City's housing needs.

Land Inventory: The City of Commerce is predominately built out, with a limited number of vacant parcels available for residential development. In the past, new development in the City consisted of infill and replacement construction in existing residential neighborhoods. Within recent years the City Redevelopment Agency has sponsored major housing projects on lands converted from industrial uses to residential areas. However, similar opportunities no longer exist due to the growing strength and rehabilitation of industrial areas. Land use policy calls for existing land use patterns to remain. New residential development will occur only as infill or recycling of existing older units to higher density developments.

Market Constraints: As land values, construction costs and finance charges increase over time, the cost of all new housing will rise accordingly. In recent years the high cost of financing new construction and new home purchases has tempered private residential development in the City.

The City has no control over the market fluctuations which affect housing costs because market conditions result from a complex interplay of national economic policies and general economic conditions. The City Redevelopment Agency, however, has implemented projects and programs which encourage new construction and housing rehabilitation even during periods of a sluggish economy.

Housing costs in Commerce are relatively low compared to the average price of a home in Los Angeles County as a whole. In 1989, the average sales price for a single-family home in Commerce was \$131,517 compared to an average sales price

of \$226,309 for Los Angeles County. Rental costs in Commerce have also remained below County-wide market rents.

Governmental Constraints: Governmental constraints may be administrative or financial. While administrative constraints serve to protect the community and to guide sound development, development can be hindered if policies and permit requirements are inconsistently applied and enforced.

The City's General Plan and zoning ordinance are the administrative tools used to establish residential land use patterns and residential densities. General Plan land use policy generally calls for existing land use densities to be retained. Residential development in the Ferguson and Southeast neighborhoods will be permitted to intensify. However, land use policy will not provide for an increase in new units in the Bandini-Rosini, Rosewood or Northwest neighborhoods other than those used for infill or replacement housing. The unit count in the Northwest neighborhood will also remain stable as code enforcement activities and redevelopment efforts continue to implement policies calling for Medium Density Residential development.

State law requires zoning ordinance land use requirements to be consistent with general plan land use policy. In Commerce, the residential zone district density regulations conform to land use categories identified in the Land Use Element. The current balance of land use is not overly restrictive and will accommodate moderate growth in residential development in the General Plan.

While the local community effort to lower cost continues, some constraints have been added by the State. Energy conservation standards add expense to the per-unit housing cost. These additional costs may serve to disqualify low and moderate income home-buyers.

The State of California Energy Resources Conservation and Development Commission, Conservation Division, has established guidelines used by building code enforcement officials to implement energy regulations established by the California Energy Commission. All new development must demonstrate an effort to comply with regulations concerning energy consumption, and if necessary, implement specific design measures that will reduce energy consumption to what is considered "an acceptable level." The original regulations and subsequent amendments serve as an important mitigation device to reduce the potential electrical energy and natural gas consumption over what might be expected if the regulations did not exist.

The City's current permit processing fees and procedures do not place significant financial constraints on residential development. The City does not charge any fees for site plan approval for either new single family or multi-family units, and the City's processing fees are lower than comparable jurisdictions. Permit processing time ranges from a few days for single family homes to three or four weeks for multi-family projects. The Los Angeles County Department of Building and Safety provides structural plan check services for the City. Plan check and building permit fees as of October 1989 are summarized on Table H-26 in the Housing Element Technical Report. These figures can be expected to change over the lifetime of this element.

Included in residential development fees are fees which may be assessed by school districts. State law authorizes school districts to collect fees for all new residential development, including the expansion or reconstruction of existing housing units. Although State law places a cap on fee rates, the rates may be high enough to discourage unit construction. Those persons particularly affected may include residents seeking to add onto their homes to relieve household overcrowding.

Environmental Constraints: No known earthquake faults traverse Commerce, and the City is not exposed to natural environmental hazards such as

flooding, slope erosion and landslides. Commerce does lie within the dam inundation area of the Garvey Reservoir in Monterey Park. Dam rupture could result in the flooding of areas between Eastern Avenue and Garfield Avenue. The Ferguson Neighborhood and portions of the Rosewood neighborhood could be affected by the flooding.

Within the City limits, there are several man-made hazards which could constrain residential growth. These hazards include noise and industrial activities.

Residential land uses are sensitive to loud noises. State noise guidelines recommend that residential development be located in areas exposed to ambient outdoor noise levels no greater than 65 decibels (dBA). A citywide noise inventory performed in October of 1986 found that virtually all of the neighborhoods in Commerce are located in areas where noise levels exceed 65 dBA. The City's noise environment is not expected to significantly change over time since the primary factors contributing to noise -- two major interstate freeways, three railway freight lines, a major railroad yard, local truck traffic -- will have a continued presence in the City.

All new residential development will need to meet General Plan Noise Element and State guidelines for exterior and interior ambient noise levels. Compliance with these guidelines may require more expensive construction techniques, which may in turn increase housing costs.

The industrial operations located throughout the City produce unpleasant dusts and odors which may be irritating and harmful to residents. Moreover, some industries produce and store toxic materials. Figures included in the Commerce Public Safety Technical Report highlight those industries identified as "high risk" industries. Both existing and new residential development should be protected from these potential health hazards.

2.0 PROPOSALS

2.1 Identification of Housing Needs

A primary goal of the City of Commerce is to ensure that all social and economic segments of the community have adequate housing to meet present and future needs. To implement this goal and the policies related to this goal, the City must target its housing and assistance programs toward those households with the greatest need. This section of the Housing Element identifies those categories of need as defined by Federal and State law. The four major need categories include: 1) housing needs which result from increased population growth; 2) housing needs which result from the deterioration of existing units; 3) housing needs which result from households paying more than they can afford for housing; and 4) housing needs which result from special needs such as very large families or female-headed households. Table H-2 summarizes the City's existing and projected housing needs by these four needs categories. Some households may fall into one or more of these categories. For example, a low income household may also be a single-parent household residing in a substandard housing unit.

Regional Housing Needs: Since 1980, the City's resident population has increased 11.4 percent. This growth can be attributed to an increase in the average household size and the addition of new housing units to the housing stock. Since the 1980 Census was conducted, the City has experienced a net increase of 375 units in its housing stock.

It is anticipated that population growth within the next five years will be attributed to two primary factors: 1) in-migration attracted to the City by new housing opportunities; and 2) increased household size due to natural increases in the population and demographic trends which favor younger families with greater numbers of dependent children. Because the City is largely built-out, it can be expected that increased household size will be a major component of population growth.

Since 1980, the average household size in Commerce has increased by about .03 persons per household (from 3.59 in 1980 to an estimated 3.62 in 1989). While this increased household size may not appear significant, it represents a departure from nationwide trends of a decreasing household size. Demographic data for Hispanic communities in Los Angeles County indicates that household sizes will continue to increase as greater numbers of immigrants settle in the metropolitan Los Angeles area. Information provided by the Southern California Association of Governments (SCAG) indicates that the population of the East Central Los Angeles area is increasing at an average annual rate of 1.2 percent. If Commerce alone were to grow at a 1.2 annual percentage rate, an estimated 14,068 people would live in Commerce by 1992, and by the year 2000, the population would expand to 15,836.

To fulfill the growing demand for housing in the Southern California region, Commerce will continue to provide additional single and multiple family housing units for all income groups. The SCAG 1988 Regional Housing Needs Assessment (RHNA) sets forth the 1989-1994 needs for the City of Commerce and estimates the number of households which the City will be expected to accommodate during this period. According to the model, housing to accommodate 86 households needs to be added to the City's June 30, 1989, housing stock to fulfill the City's share of regional housing needs. Table H-2 shows how the units should be distributed among the various income groups according to the SCAG-RHNA.

In the past, Commerce has aggressively pursued regional housing goals through a series of aggressive and innovative housing programs. Between 1981 and 1986, the City exceeded its housing allocation. The 1981 Housing Element predicted a need for 262 units over a five year planning period. During that time, approximately 276 new units were provided. A majority of the units were built for low and moderate income households.

Substandard Housing: A housing conditions survey was conducted in March of 1986 to assess the magnitude of rehabilitation needs in the City. The survey identified a total of 226 units in poor condition requiring minor to substantial rehabilitation. In addition, 32 units were determined to be blighted and in need of replacement.

The City's Northwest Neighborhood contains the highest percentage of substandard and dilapidated units, with over 20 percent of the units in some state of disrepair. In March of 1985 the City adopted the Northwest Neighborhood Specific Plan for the purpose of improving housing conditions in this neighborhood. The Specific Plan is presently being implemented as City resources permit.

The age of the housing stock is a major contributor to overall housing conditions in the City. Over 50 percent of the existing units were constructed prior to 1950. Only 14 percent have been built in the past two decades (1970-1989). A significant number of the new units were constructed in the Village Homes subdivision, a Redevelopment Agency project which provided 140 single-family homes for low to moderate income households and 96 multi-family units for senior citizen households.

Housing Affordability: The Federal Government has adopted a national standard that is used to identify households with housing costs in excess of the amount the households are able to afford. These standards indicate that a household paying more than 30 percent of its gross monthly earnings for housing may be paying more than it can afford. The Federal standard assumes that any greater proportion paid for housing will result in less money available for food, clothing, health care and other necessities.

Data supplied by the 1988 SCAG-RHNA indicates that 19 percent of lower income households, or 586 households, are paying more than 30 percent of their gross monthly income for housing in Commerce. Renters comprise 460 (78%) of these lower income households. Low income renters are particularly vulnerable to the effects of rising

housing costs because low income wages generally do not increase in proportion to increases in the cost of living.

Special Needs Groups: Certain segments of the population may have a more difficult time finding decent, affordable housing due to special circumstances. In Commerce, these "special needs" households include the elderly, handicapped persons, large families, female-headed households, farmworkers, and the homeless. The number of special needs households and/or persons in Commerce is summarized in Table H-2.

Elderly: The special needs of many elderly households result from their lower, fixed incomes, physical disabilities, and dependence needs. The elderly comprise 8.3 percent (972 households) of the City's household population. The elderly can be expected to increase as those persons between the age of 35 and 64 grow older. Escalating housing costs, particularly in the rental market, severely impact housing affordability for the elderly, who are usually on fixed incomes. The housing needs of the elderly can be addressed through the provision of smaller units, congregate housing, rental and rehabilitation assistance programs.

Handicapped: Physical handicaps can hinder access to housing units of traditional design as well as limit the ability to earn adequate income. The 1980 Census reported 5.4 percent of the City's households as handicapped. Applying this proportion to the City's 1989 households translates to an estimated 179 handicapped households. Handicapped households do not necessarily require specialized group or institutional quarters. Rather, many handicapped persons and households have ambulatory disabilities which can be accommodated in standard housing units adapted to meet handicapped needs. Housing opportunities for the handicapped can be maximized through the provision of affordable, barrier free (e.g., larger bathrooms, wider hallways, grab rails, etc.) housing.

Large Families: Large families are identified as a group with special housing needs based on the limited availability of adequately sized, affordable housing units. Large families are often of lower income, frequently resulting in the overcrowding of smaller dwelling units and in turn accelerating unit deterioration. An estimated 20 percent of the City's households in 1989 had five or more members, translating to 818 households. Compared to 1980, this represents a 9 percent decrease in the number of large households.

Female-Headed Households: Female-headed households tend to have low incomes, thus limiting housing availability for this group. Female-headed households account for 15.3 percent (491 total) of the City's household population. In 1989, an estimated 312 female-headed households (63.5%) in Commerce had dependent children under 18 years of age. Thus, providing housing opportunities for this group relates both to affordability and services related to the care of children.

Farmworkers: The special housing needs of many farmworkers stem from their low wages and the insecure nature of their employment. Most Commerce residents work in the Los Angeles - Long Beach Metropolitan area in non-agricultural occupations. The SCAG 1983 Regional Housing Allocation Model identified seven farmworker households in the City, accounting only 0.2 percent of total households in the City. The demand for housing generated by farmworkers in the City is thus estimated to be extremely low.

Homeless: Throughout the country, homelessness has become an increasing problem. Factors contributing to the rise in homeless include the general lack of housing affordable to low and moderate income persons, increases in the number of persons whose incomes fall below the poverty level, reductions in public subsidy to the poor, and the de-institutionalization of the mentally ill.

Due to the City's industrial character, there are few homeless in Commerce, and no emergency shelters are located within the City limits. A maximum of five homeless individuals have been observed by Commerce staff at any given time. (Housing Element policy calls for the City to revise its zoning ordinance to permit the development of emergency shelters in locations close to services). The homeless in Commerce are usually passing through to another city, such as Bell, which houses a regional emergency shelter. The Bell shelter is operated by the Salvation Army and offers overnight accommodations and other services to the homeless. The shelter provides a daily shuttle service to their facility, with pickups at the Salvation Army headquarters in Huntington Park, Hollywood, East Los Angeles, Compton, and Long Beach. Services provided include overnight lodging, food, and use of shower and laundry facilities. These emergency services are available to homeless individuals and families on a per night basis, with the shelter able to accommodate a total of 250 persons.

In addition to the Bell shelter, numerous emergency shelters are located in close proximity to Commerce. While Commerce does not currently have a noticeable homeless population, these nearby shelters could accommodate any potential homeless in the City. Table H-18 of the Technical Data Report presents a listing of agencies which provide social services in the vicinity of Commerce.

TABLE H-2
CITY OF COMMERCE
EXISTING AND PROJECTED HOUSING NEEDS

A. Growth Needs (Source: 1988 SCAG-RHNA)

1989-1994 Household Needs by Income Group:

Very Low (0-50% County median income)	15 (17.4%)
Low (50-80% County median income)	19 (22.1%)
Moderate (80-120% County median income)	21 (24.4%)
Upper (over 120% County median income)	<u>31</u> (36.0%)

Total Households 86

B. Overpayment for Housing (Source: 1988 SCAG-RHNA)

Income Level

<u>Tenure</u>	<u>Very Low</u>	<u>Low</u>	<u>Total</u>
Owners	92	34	126
Renters	354	106	460
Total	446	140	586

C. Housing Condition (Source: Cotton/Beland/Associates
Survey - 1986)

<u>Unit Condition</u>	<u>Number of Units</u>	<u>% of City Total</u>
Substandard	226	8.2
Dilapidated	32	1.2

D. Summary of Special Needs Groups (Source: 1980 U.S. Census and
Urban Decision Systems, Demographic Trends: 1980-89-94)

<u>Special Need</u>	<u>Number of Households/Persons</u>	<u>Percent of All Households</u>
Elderly	972	8.3
Handicapped	179	5.6
Large Family	818	19.9
Farmworker	7 (1983)	.2
Female-Headed Household	491	15.3

2.2 Programs and Goals

The prior section of the Housing Element described the housing needs of the City's current and projected population, as well as the specific needs resulting from the deterioration of older units, lack of affordable housing for lower income groups, and special needs for certain segments of the City's population. The goals and policies contained in Section 3.0 of the Housing Element address the City's identified housing needs. These goals and policies are implemented through a series of housing programs that are funded and administered through a variety of local, regional, State and Federal agencies. The following comprehensive program strategy consists of both programs currently in use in the City and additional programs to provide the opportunity to adequately address the City's housing needs.

The following four program strategies have been defined for Commerce: 1) Preservation and Enhancement of Existing Housing Stock; 2) Production of Affordable Housing; 3) Rental Assistance; and 4) Increased Ownership Opportunities. A series of specific programs are identified to implement each program strategy. Individual programs include: programs which were set forth in the previous 1986 Housing Element; programs which the city has undertaken since adoption of the prior Housing Element; and new programs which have been added to address an unmet housing need. This section provides a description of each housing program, a review of previous program accomplishments/suggested program revisions, and future program goals. The Housing Programs Summary (Table H-3) at the end of this section summarizes the past accomplishments and five year projections for each program, program funding source, responsible agency and time frame for implementation.

PROGRAM STRATEGY: Preservation and Enhancement of Existing Housing Stock

Housing rehabilitation includes major efforts to improve a property and alterations aimed at converting the type or number of units. The goal of housing preservation is to protect the existing quality and investment in housing and to avoid a degree of physical decline that will require a larger rehabilitation effort to restore quality and value.

The City's housing rehabilitation programs assist in the provision of affordable housing by maintaining the existing housing stock in accordance with federally and locally established standards for building safety. Rehabilitation assistance is provided to very low and low income households through redevelopment set-aside monies in the form of low interest loans, deferred loans, or direct rebates. Income requirements are based on the income of those living in the unit to be rehabilitated; for owner-occupied units, it is the owner's household income, for rental properties, it is the tenant's household income.

All rental units undergoing rehabilitation under the City's programs must come under a rent agreement with the Redevelopment Agency. The agreement sets rents at the current HUD limits for rent, or the existing rent for the unit, whichever is less, and limits the increase in rent to 7% per year for a period of not less than five years from the date of the loan.

In order to increase the effectiveness of its rehabilitation programs, the City felt it was necessary to increase the loan/rebate amount and provide greater flexibility in applicant qualifications than provided for under CDBG guidelines. Since 1989, Commerce has utilized only redevelopment set-aside funds for its rehabilitation programs and has refined these programs to expand their usage; specific changes are identified under each program. In addition, the City has enhanced program marketing, including greater outreach through placement of advertisements and articles in the local newspapers, posting of program information in

public areas, and distribution of written and verbal information on the program to the public by planning, property maintenance, and Community Development personnel.

Low Interest Loans - The Low Interest Loan Program is available to lower income households who reside in substandard housing. The Program offers low interest loans by subsidizing market rate interest for owner/applicants. The maximum loan amount is \$30,000 with a maximum 15 year repayment schedule at a six percent annual interest rate. (This represents a 100% increase over previous CDBG funding levels of \$15,000.) Loan funds may be used for the rehabilitation of privately-owned housing structures consisting of one to four units and which are in less than adequate condition due to either age or neglected maintenance. The City has removed the CDBG restriction that units be greater than ten years old to receive rehabilitation assistance.

The City actively solicits homeowner participation in the low interest loan program to ensure that existing housing units provide safe and decent shelter for residents. Through code enforcement activities the City will continue to identify units in need of repair. Households qualifying for the program will receive assistance and guidance from the City's Housing Programs Manager. A total of 33 households participated in the Low Interest and Deferred Loan Programs between 1984 and 1989. Through enhanced program funding and implementation, the City's five year goal for its rehabilitation loan programs is to assist 50 households.

In addition to the City's sponsored rehabilitation loans, the Cordoba Corporation has begun offering low interest loans through the Los Angeles County Community Development Corporation. As a participating city in the County's CDBG program, Commerce residents will be eligible for 3 percent interest rehabilitation loans for single-family homes. Qualifying residents can earn up to 115 percent of the County median household income. Both the Cordoba Corporation and the City will market the availability of this loan program to Commerce residents.

Deferred Loans - This program provides deferred loans up to \$10,000 for owner occupants who are 1) 57 years of age or older, and lower income; 2) disabled or handicapped, and lower income; or 3) members of a very low income family, as per Section 8 definition. This program has also been expanded to provide loans of up to \$15,000 to low and moderate income households where activities to be corrected represent a clear health and safety risk, subject to Community Development Director approval.

Deferred loans, like low interest loans, are designed to assist special needs households with unit maintenance. By encouraging improvement and maintenance of the existing housing stock, the City can reduce the cost to the community of providing housing for these special needs groups. Code enforcement and Community Development staff efforts will continue to encourage participation in the deferred loan program. Funding is provided by redevelopment tax increment revenue.

During the 1984-1989 period, 33 households participated in the City's rehabilitation loan programs. Like the low interest loan program, the deferred loan program has been expanded to increase the number of qualifying households. With these program modifications, the City has established a five year program goal to assist 50 households with both low interest and deferred rehabilitation loans.

Rebate Program - The Rebate Program permits homeowners and property owners to receive a 40 percent rebate on the cost of building materials for unit rehabilitation or room additions. Rebates of up to \$10,000 are provided to lower income households. This represents an increase over previous CDBG funding levels of \$7,500.

The rebate program is targeted at lower income households. The rebates enable homeowners to construct room additions which can ease household overcrowding. Funds may also be used to perform home improvements. Like the loan programs, program implementation will be the responsibility of code enforcement and the City's Housing Programs Manager. The City plans to continue financing the rebate program with redevelopment funds.

The Rebate program assisted 230 households during the period between 1984 and 1989. This program will continue to provide assistance, with a five-year goal of 250 rebates.

Code Enforcement - The objective of the City's code enforcement program, in regards to housing, is to bring substandard units into compliance with City codes. Potential code violations are identified based on exterior windshield surveys and complaints reported to the City. The City's Code Enforcement Officers work closely with the Community Redevelopment staff and property owners to identify units in need of housing assistance.

In order to address the continuing problem of illegal units, the Code Enforcement Officer surveys the City to identify illegal units, to notify property owners that they are in violation of City law and the steps necessary to bring their properties into compliance with City codes. These efforts result in improved maintenance of housing units throughout the City. Property owners are also informed of any rehabilitation loans or grants he/she may be eligible for to assist in correcting code violations.

The City expanded its code enforcement program in 1988 from one to two full time Code Enforcement Officers. While this expansion has allowed the City to cite an average of 40 to 50 deficient residential properties on a monthly basis, the fact that the officers have little administrative support requires that they spend much of their time in City Hall, attending to administrative matters, rather than on property inspections. The Housing Element therefore recommends that the administrative responsibilities be re-evaluated to determine ways to improve efficiency.

Conservation of Existing Affordable Units: A community's existing affordable housing stock is a valuable resource which should be conserved, and if necessary, improved to meet habitability standards. There are two federally assisted apartment housing developments in Commerce, totaling 78 units of rental housing affordable to lower income households. Commerce Senior Citizen Apartments is a 68 unit senior housing project, and Commerce Family Homes is a 10 unit family

housing project. Both of these projects were developed under the HUD Section 221 program which provides an underlying subsidized mortgage with maximum rents based on the lower financing costs of the owner and rent levels that low-income households could be expected to afford. According to a 1989 inventory prepared for the California Housing Partnership Corporation, both these projects are eligible to convert from federally subsidized affordable housing to market rate rents within the next several years. While the mortgage runs for 40 years on these projects, project owners are eligible to prepay the loan and deregulate the rents, allowing for potential loan prepayment in January 1991 for Commerce Senior Citizen Apartments and in July 2003 for Commerce Family Homes.

In order to address this potential loss in the City's affordable housing stock, the City will be prepared to allocate redevelopment set-aside funds, or other available funding sources, to enable continued rental subsidy to some or all of these units. Local non-profit corporations will be contacted to solicit their interest in potentially taking ownership of these projects. The City will also inventory and gather information to establish an early warning system for publicly assisted housing projects which have the potential to convert to market rate. All dwelling units which receive public assistance in the City (including rehabilitation assistance and land write-down projects) shall continue to have affordable housing agreements filed with the land to ensure the long-term affordability of the units.

PROGRAM STRATEGY: Production of Affordable Housing

New construction is a major source of housing for prospective homeowners and renters. The City's Redevelopment Agency has taken an active role in the provision of new housing units for low and moderate income households. Particularly important in Commerce where land available for residential development is scarce has been the Redevelopment Agency's role in providing sites for the creation of affordable units. The Agency uses redevelopment set-aside funds to acquire

vacant lots and substandard properties, and where possible, consolidates these lots to facilitate development of higher density, affordable housing projects. Redevelopment funds are also used to subsidize construction of townhomes to provide ownership opportunities for low and moderate income households.

Land Assemblage and Write-Down - The intent of this program is reduce land costs to the point that it becomes economically feasible for a private (usually non-profit) developer to build units which are affordable to low and moderate income households. As part of the land write-down program, the City may also assist in acquiring and assembling property and in subsidizing on-site and off-site improvements.

The City has been successful in accomplishing several affordable housing projects through its land write-down program. Since 1984, the following residential developments have been provided land write-down assistance in Commerce:

<u>Year</u>	<u>Project Name</u>	<u>Unit Mix</u>
1985	Lanto Senior Townhomes	7-1 and 2 bedroom senior citizen units
1986	Greenwood	60-2 and 3 bedroom units
1987	Sewall-Read Townhomes	8-3 bedroom units
1989	Telacu Manor	76-senior citizen apartment units

The City will continue to utilize its land write-down capabilities, combined with other incentives, to facilitate the creation of affordable housing opportunities. The Commerce Redevelopment Agency owns numerous properties, both in the redevelopment project areas and in the Northwest community area. City staff has reviewed and evaluated Agency owned property to identify sites suitable for affordable housing development; these affordable housing opportunity areas are illustrated in Figure H-1, and are generally located on the following streets:

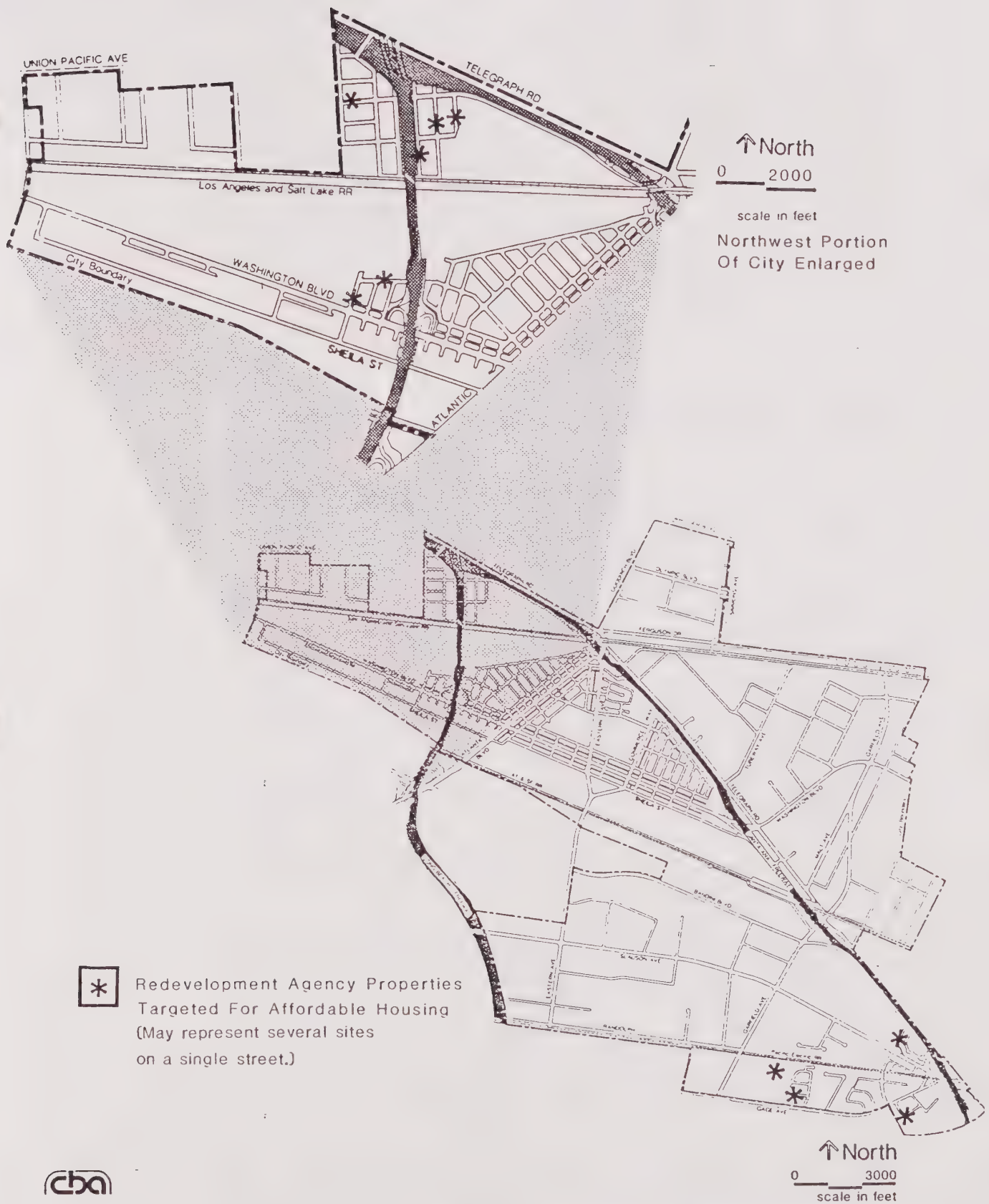


Figure H-1
Affordable Housing
Opportunity Areas

- Ayers Avenue
- Leonis Street
- Triggs Street
- McBride Avenue
- McDonnell Avenue
- Duncan Avenue
- Agra Street
- Greenwood Avenue
- Watcher Street
- Kuhl Drive

The City's five year goal is for the provision of 85 affordable housing units through land write-down incentives.

Density Bonus - Pursuant to State Law, if a developer allocates at least 20% of the units in a housing project to lower income households, 10% to very low income households, or 50% to qualifying residents (e.g. elderly), the City must grant a density bonus of 25% over the maximum Zoning Code and General Plan density, and at least one other financial incentive. Developers granted a density bonus enter into an Affordable Housing Agreement with the City to ensure the continued affordability of these units for a minimum of thirty years. Affordable rental units are rented at levels not to exceed 30% of gross monthly income, subject to annual rent adjustments based on changes in the tenant's income. The City will encourage use of the density bonus program as a means of providing privately-sponsored affordable housing units.

Senior Citizen Housing - The City of Commerce has shown a strong commitment towards providing needed housing assistance to its senior citizen population. Over 300 units of senior housing have been developed in Commerce since 1980. The City's most recent senior project, Telacu Manor, is a Section 202 project consisting of 76 units of rental housing for lower income seniors which came on line in 1987.

The City remains committed to the goal of ensuring that elderly residents have access to sound, safe and decent housing. Funding for the development of elderly housing will come from a variety of sources, though the primary responsibility for these projects will continue to be with the Commerce Redevelopment Agency. The five year goal is for the provision of 25 new units for qualifying elderly residents.

Non-Profit Construction - A non-profit housing corporation works to develop, conserve and promote affordable housing, either owner or renter-occupied. Particularly in relation to senior citizen housing (such as HUD Section 202 projects), the non-profit is often a local religious organization interested in developing affordable housing. The non-profit is often involved with what is called "assisted housing", where some type of government assistance (such as Section 8) is provided to the individual household to keep rents affordable. Housing corporations can work with assisted housing in several ways.

1. The non-profit may assemble a development package and sell it to a profit-motivated developer. The package usually consists of a site, project design, the necessary permits, and, in some cases, preliminary financing commitments. The advantage of this method is that the non-profit can get low- and moderate-income housing built while ending its involvement early in the process and going on to other projects. The disadvantage is that the non-profit may lose control over the development at the time of sale. However, the non-profit could negotiate to retain some control over the project in the contractual agreement between it and the developer.
2. The non-profit may participate in a joint venture with a profit-motivated developer. Though it usually performs the same functions as in the first method, the non-profit can retain more control over the development and gain hands-on development experience while benefiting from the financial resources of the for-profit developer. In this option, however, the non-profit has a longer involvement and will have to negotiate the rights and responsibilities of the two partners.
3. In the third approach, the non-profit is the developer. In this case, the group must employ staff with necessary expertise or rely heavily on consultants. In return, the group has total control over the development. This option requires more risk, money, time, effort, and capability on the part of the non-profit.

A non-profit corporation can help meet the goals for additional housing by implementing or assisting with the implementation of programs described in this element. Of particular applicability in Commerce would be for a non-profit to own and operate Agency-assisted projects. The City should coordinate with local non-profit groups to facilitate the development and improvement of both senior citizen and low cost housing in Commerce.

PROGRAM STRATEGY: Rental Assistance

Rental assistance is aimed at ensuring lower income tenants do not have to pay more than 30 percent of their gross income on rent. The City of Commerce participates in HUD sponsored programs which provide direct rental subsidies to lower income households. In addition, redevelopment set-aside funds are used to augment these programs to extend rent subsidies to a greater number of needy households.

Section 8 Rental Assistance Payments/Housing Vouchers - The Section 8 rental assistance program extends rental subsidies to low income families and elderly which spend more than 30 percent of their income on rent. The subsidy represents the difference between the excess of 30 percent of the monthly income and the actual rent. The voucher program is similar to the Section 8 Program, although participants receive housing "vouchers" rather than certificates. Vouchers permit tenants to locate their own housing. Unlike in the certificate program, vouchers permit participants to rent units which exceed the federally determined fair market rent in an area, provided the tenant pays the extra rent increment above the fair market rent. The Reagan administration had proposed converting the certificate program to a voucher system, which will likely occur through time.

The 1986 Commerce Housing Element sets forth as a rental assistance goal the continued subsidy to 44 households, with subsidy extended to an additional 8 households. According to the Los Angeles County Housing Authority, the City

has exceeded this goal, with a total of 60 lower income households which are currently provided rental assistance through HUD-sponsored rent subsidies. While it is impossible to know how many additional housing vouchers the City will receive from HUD, based on the significant number of low income tenants overpaying for housing in Commerce, the five year goal will be to secure an additional 20 rental vouchers/certificates over the next five years.

Redevelopment Rent Subsidies - In order to augment limited federal resources for rental assistance, the City has begun utilizing redevelopment set aside monies to provide additional rent vouchers. This program is targeted towards assisting lower income seniors who are paying greater than 30% of their income on rents. In order to maximize the number of households which can be assisted, a maximum rent subsidy of \$200 has been established. The City is currently providing rent subsidies to 30 households, and plans on expanding this program to provide assistance to 50 households over the five year period of the Housing Element.

PROGRAM STRATEGY: Increased Home-Ownership Opportunities

The option of homeownership is often not available to lower income households. While for-sale housing costs in Commerce are significantly below those for the region, the relatively lower incomes of Commerce residents result in a situation where for-sale housing is beyond the financial means of most of the City's prospective homebuyers. The City has utilized redevelopment set-aside monies, combined with available state and federal funding to subsidize downpayment costs and provide interest rate subsidies to extend the option of home purchase to low and moderate income households. The City will continue to operate its equity sharing program, and in addition pursue two new programs - single-family mortgage revenue bonds and reverse annuity mortgages - to facilitate homeownership opportunities.

Equity Sharing - Equity sharing allows lower income households to purchase a home by sharing the costs of homeownership with a sponsor, which in Commerce is the City Redevelopment Agency. The Agency and the buyer together provide the downpayment and purchase costs to buy a house. In addition to providing downpayment assistance, the Agency also writes down the mortgage interest rate to a level where monthly mortgage costs will not exceed 30% of the household's income. When the house is sold, the equity earned through appreciation is split between the occupant and the Agency according to an agreement made prior to purchase.

The City is in the process of utilizing the concept of equity sharing on its first project. The Pacific Lanto Project will offer 5 percent downpayments and subsidized interest rates to ensure monthly mortgage costs do not exceed 25 percent of the household's income. This project will provide eight ownership units to a mix of very low, low and moderate income households. The City will pursue equity sharing techniques to provide homeownership opportunities to lower income households, with a five year goal of achieving 20 ownership units.

Single-Family Mortgage Revenue Bonds - Mortgage revenue bonds are issued by the County to support the development of single-family housing for low and moderate income households. Single-family mortgage revenue bonds are used to finance the purchase of owner-occupied homes. Proceeds from the bond sales are used to make mortgage loans to qualified low and moderate income buyers. The bonds are serviced and repaid from the mortgage payments made by the property owners.

The City has taken advantage of County-sponsored bond financing as it becomes available and will continue to market the availability of funds through its Housing Programs Office.

Reverse Mortgage Program - The most substantial asset of most elderly homeowners is their home, which has increased in value with inflation. And while owning a home may provide a rich asset base, with the onslaught of retirement and a fixed income, many elderly homeowners quickly become income poor. Home maintenance repairs multiply as the home ages, and with the rising costs in home utilities, insurance, and taxes, maintenance often gets deferred altogether, creating an unsafe and often depressing living environment for the senior.

An alternative option for the elderly homeowner is to draw needed income from the accumulated equity in their homes through a reverse mortgage. A reverse mortgage is a deferred payment loan or a series of such loans for which a home is pledged as security. Qualification for the loan is based primarily on property value rather than on income, allowing the elderly homeowner on a fixed income to receive a loan for which he or she would otherwise not qualify. Most reverse mortgage programs permit homeowners to borrow up to 80 percent of the assessed value of their property, to receive needed principal of up to 25 percent of the loan, and then to receive monthly annuity payments for the life of the loan.

The San Francisco Development Fund offers free training to communities interested in organizing a reverse mortgage program for seniors. If the City chooses not to sponsor the loans itself, it could still facilitate the initiation of reverse mortgage loans through the following steps. First, the City would need to provide educational and counseling services to seniors interested in pursuing a reverse mortgage. Secondly, the City would need to work with local lending institutions which currently provide these loans to gain a thorough understanding of the application process. The City could then work with the seniors to complete the loan applications and assist in providing any other necessary information to the bank. Based on available information, the following companies and lending institutions are known to offer reverse mortgage loans in the Los Angeles area:

1. Security Pacific National Bank, City of
Downey
(213) 869-1056
2. Capital Holding
1-(800) 431-8100
3. Providential Home Income Plan
(714) 793-2309
4. American Homestead
1-(800) 233-4762

TABLE H-3
HOUSING PROGRAMS SUMMARY
(continued)

Housing Program	Responsible Agency	Funding Source	Accomplishments (1984-1989)	Future Goals (1989-1994)	Time Frame
d. Non-Profit Construction	Community Development	None necessary	-	Coordinate with local non-Profit housing groups to assist in housing program implementation	One Year
3. Rental Assistance					
a. Section 8 Assistance Payments/ Housing Vouchers	Community Development/ Housing Programs Manager	HUD/LA Co. Housing Authority	Subsidy to 60 households	Subsidy to an additional 20 households	Ongoing
b. Redevelopment Rent Subsidy	Community Development/ Housing Programs Manager	Redevelopment Set-Aside	Subsidy to 30 households	Subsidy to an additional 20 households	Ongoing
4. Increased Home-Ownership Opportunities					
a. Equity Sharing	Community Development	Redevelopment Set-Aside		20 Ownership units	Ongoing
b. Single Family Mortgage Revenue Bonds	Community Development	Revenue Bonds	-	Market availability of bond financing	Ongoing
c. Reverse Mortgage Program	Community Development	Redevelopment Set-Aside	-	Establish a reverse mortgage program	Within 2 years

Total units to be constructed: 130 assisted units

Total units to be rehabilitated: 263 units

Total units to be conserved: 130 units (rent subsidy)

3.0 GOALS AND POLICIES

It is the primary goal of the City to provide all residents with sound, safe, decent and affordable housing. To move toward this goal, the City will continue to:

- o Improve the quality of the existing housing stock;
- o Provide new housing wherever possible; and
- o Ensure the highest possible quality of living for all social and economic groups.

GOAL 1.0 - Provide a wide range of housing by location, type and price to meet the existing and future needs of the City.

Policy 1.1 - Maintain the lower residential densities in the Bandini-Rosini and Rosewood neighborhoods.

Policy 1.2 - Restrict further construction of multiple family units to only those areas designated on the Land Use Policy Map for high density residential development.

Policy 1.3 - Promote the development of low and moderate income and senior citizen housing by providing developers with density bonuses, land writedowns, and other incentives for the provision of affordable units.

Policy 1.4 - Provide favorable home purchasing options to lower income households, such as mortgage revenue bond financing and shared equity ownership.

Policy 1.5 - Vacant lands within residential areas will be developed with residential housing units in conformance with the Land Use Policy Map.

Policy 1.6 - The majority of new development in the Southeast Land Use Planning Area will consist primarily of medium and high density residential projects.

Policy 1.7 - Require that housing constructed expressly for low and moderate income households not be concentrated in any single planning area.

Policy 1.8 - Amend the City's Zoning Ordinance to permit the development of emergency shelters in commercial and industrial zones, subject to a CUP.

GOAL 2.0 - Encourage the maintenance of the existing housing stock.

Policy 2.1 - Continue to rehabilitate existing substandard housing units pursuant to the existing Building and Safety Code.

Policy 2.2 - Enforce the existing Building and Safety Code and the Zoning Ordinance to prevent the construction of illegal housing units.

Policy 2.3 - Continue to offer rehabilitation assistance to qualified households for unit upgrading.

Policy 2.4 - Continue to implement the Northwest Neighborhood Specific Plan to ensure that all units within this neighborhood provide residents with sound, decent housing.

Policy 2.5 - Prepare a Specific Plan for the Ferguson neighborhood. The Specific Plan will permit substandard units to be upgraded, thereby enhancing the appearance and condition of the neighborhood.

GOAL 3.0 - Preserve the existing single-family character of low density residential neighborhoods in the Bandini-Rosini and Rosewood Planning Areas.

Policy 3.1 - Housing units requiring demolition must be replaced with units constructed at densities not to exceed those limits prescribed by the General Plan.

Policy 3.2 - New higher density residential projects should be kept at scale (number of units, height, etc.) compatible in design with adjacent residential areas.

Policy 3.3 - Those areas designated High Density Residential on the General Plan Land Use Map shall be buffered from adjacent lower density residential land uses with medium density residential projects.

GOAL 4.0 - Encourage quality construction in new residential development and require all properties to be maintained to the greatest extent possible.

Policy 4.1 - Housing for low and moderate income households should have the same standards for design, construction, and maintenance found in more expensive housing.

Policy 4.2 - Employ adequate code enforcement staff to ensure that residential properties are inspected on a regular basis.

Policy 4.3 - Property owners will be required to maintain properties to the greatest extent possible.

Policy 4.4 - Assist low and moderate income households with property maintenance by informing residents about the property maintenance program, available low interest and deferred loans, and the City's home improvement rebate program.

Policy 4.5 - Establish a "House-of-the-Quarter" program which recognizes and rewards property owners for exemplary property maintenance.

GOAL 5.0 - Protect residential properties from the hazards and health risks associated with industrial development.

Policy 5.1 - Prohibit the establishment of high risk industrial operations adjacent to residential neighborhoods.

Policy 5.2 - Prior to the development of new residential projects in areas previously occupied by nonresidential land uses, potential sites should be investigated to determine whether previous onsite uses present potential health risks.

GOAL 6.0 - Support Federal and State laws which prohibit discrimination in housing on the basis of age, sex or race.

Policy 6.1 - Continue to cooperate with the Fair Housing Congress of Southern California through the Long Beach Fair Housing Council to enforce fair housing laws.

Policy 6.2 - Inform the Long Beach Fair Housing Council of any known violations of applicable Federal and State laws.

Policy 6.3 - Continue to use Redevelopment Agency funds, density bonuses and other program incentives to encourage private developers to construct low income housing units.

Policy 6.4 - The Redevelopment Agency
will continue to acquire
and assemble properties to
facilitate construction of
housing units for low and
moderate income and senior
citizen households.

CITY OF COMMERCE GENERAL PLAN
HOUSING ELEMENT TECHNICAL REPORT

Adopted by the
Commerce City Council
on June 5, 1990

Resolution No. 90-24

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HOUSING ELEMENT TECHNICAL REPORT

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HOUSING TECHNICAL REPORT

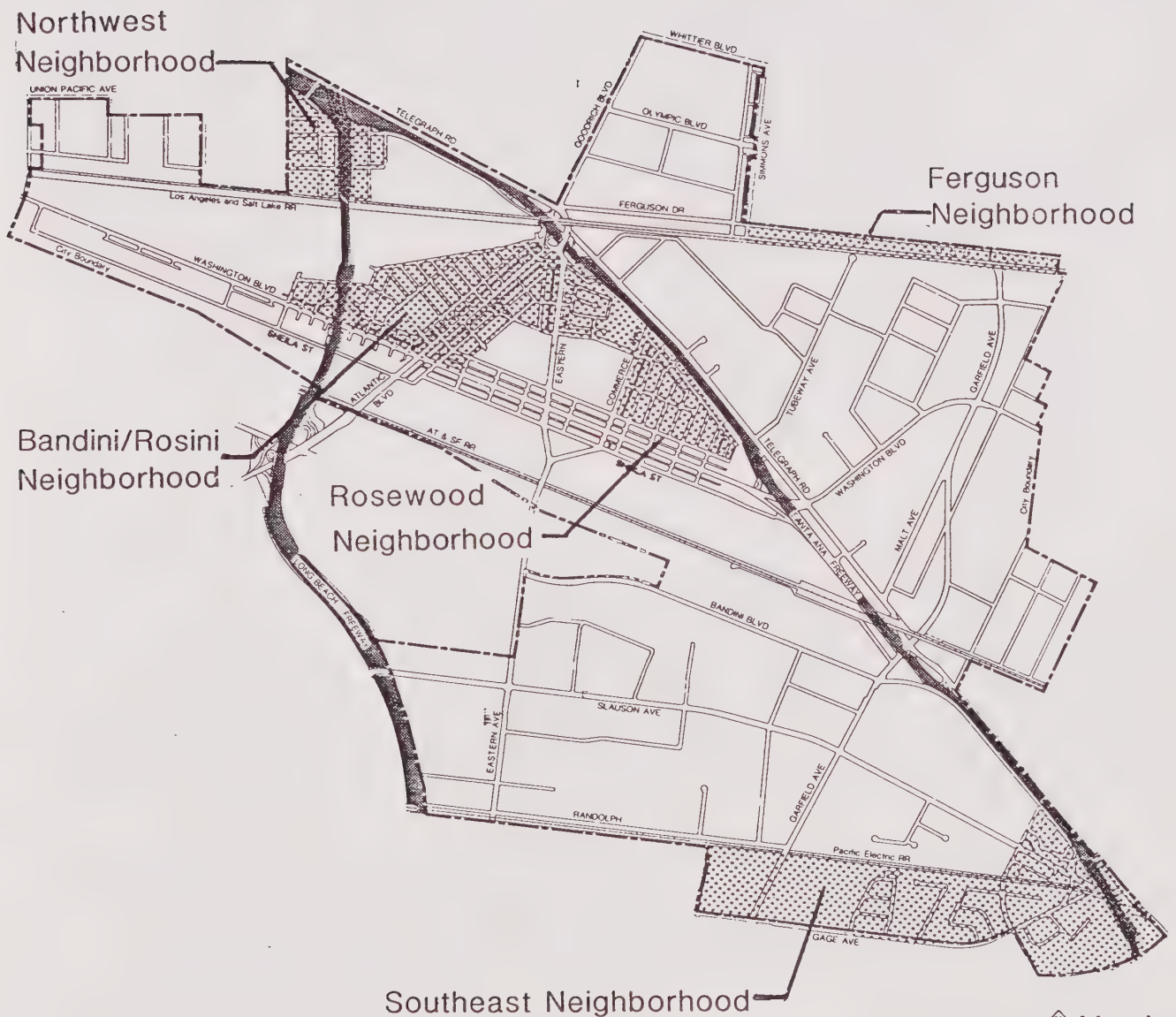
1.1 Introduction

This Technical Report provides detailed demographic, socioeconomic and housing characteristics of the City of Commerce and serves as the "Technical Appendix" for the City of Commerce General Plan Housing Element. The data used in this report was obtained from a variety of sources including the U.S. Bureau of the Census, California Department of Finance, Los Angeles Department of Regional Planning, Southern California Association of Governments (SCAG), and the City of Commerce Community Development Department. Demographic and household information (e.g., current ethnic mix, household income) has been primarily obtained from estimates prepared by Urban Decision Systems (UDS). UDS annually prepares demographic/household updates based on data supplied by Federal, State, County and City sources. In order to ensure consistency with population and housing unit totals obtained from the Department of Finance, slight adjustments were made to the UDS data to reflect these totals.

This report will provide much of the background information required by State law for inclusion into the Housing Element. This technical report is divided into six sections which describe past trends and existing conditions in the City relative to housing. Much of this information can become obsolete quickly due to rapidly changing conditions. For this reason, the supporting statistics and data have been incorporated into a separate report to facilitate the updating of the Housing Element.

There are five clearly defined residential neighborhoods within the City of Commerce, each with its own character and problems. Figure H-1 identifies the general boundaries of these neighborhoods. Demographic and socio-economic data was obtained at the neighborhood level for each of these five neighborhoods. These neighborhoods are clearly defined geographically with the boundaries delineated by major streets and are separated from each other by non-residential land uses. The five distinct residential neighborhoods include: Bandini-Rosini, Rosewood, Northwest, Ferguson, and Southeast. Two neighborhoods are isolated, in geographic terms, from the rest of the City. The scattered nature of residential development and the isolated nature of selected neighborhoods present additional challenges to the City in its efforts to providing essential services to the residents. The five neighborhoods are described in greater detail in the following section.

Bandini-Rosini: This neighborhood actually consists of two smaller neighborhoods separated by Atlantic Avenue. The Bandini section is that portion of the neighborhood located west of Atlantic Boulevard and is predominantly single-family in character except for an area adjacent to Atlantic Boulevard. The Rosini section includes that portion of the neighborhood east of Atlantic and includes predominantly single-family homes with multiple-family units along Eastern Avenue.

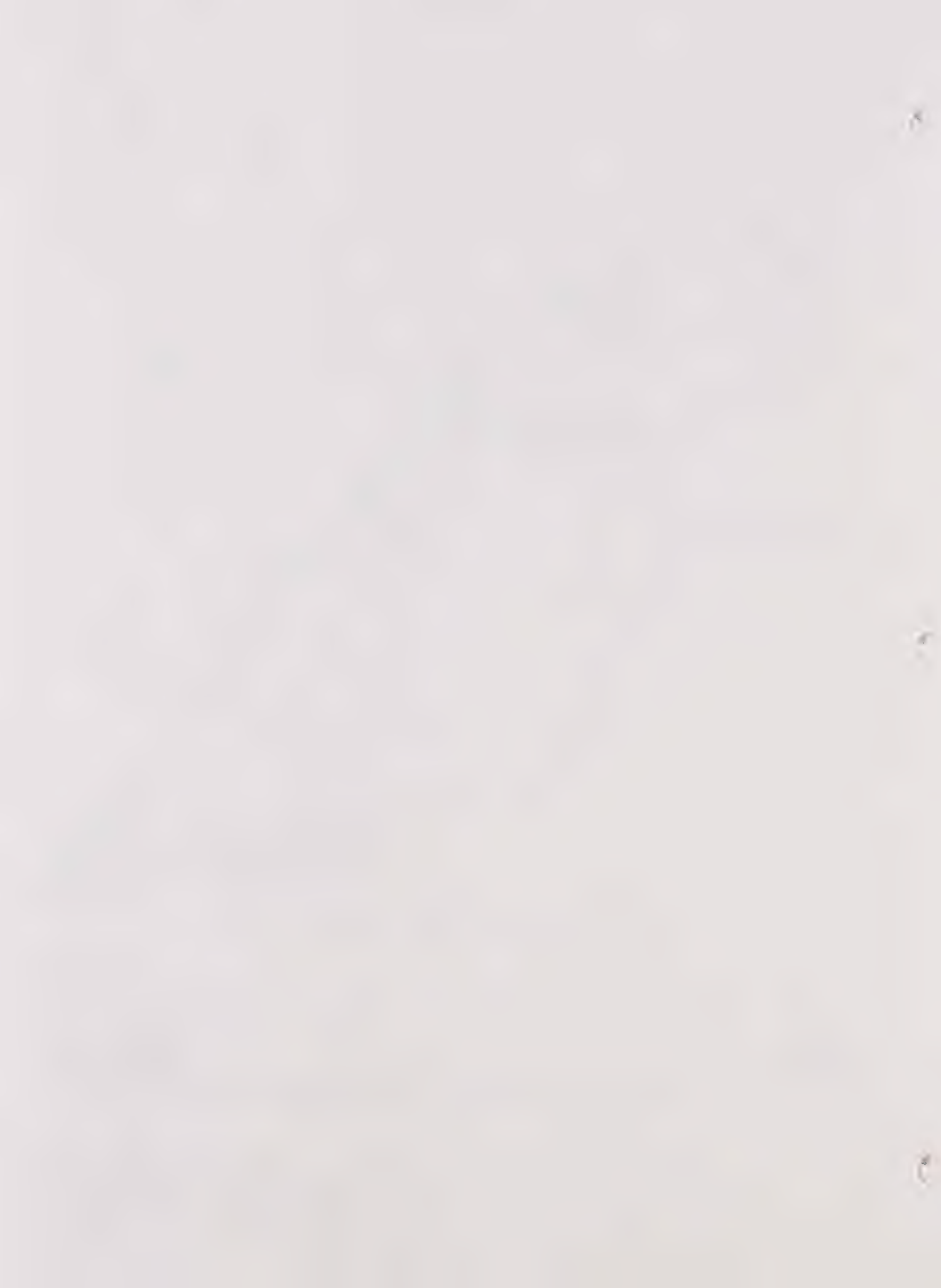


↑ North

0 3000
scale in feet



Figure H-1
City Of Commerce
Residential Neighborhoods



Rosewood: The Rosewood neighborhood contains both the oldest residential area in the City and one of the newest developments - the Village Homes subdivision. Both areas contain well-maintained single-family units, and pride of ownership is evident. A few duplexes have been constructed along Commerce Way and Jillson Street. The Village Homes development was built in 1980 as a redevelopment project and includes Heritage Village, a 96-unit senior citizen apartment complex.

Northwest: The Northwest neighborhood lies in the northwest section of the City in an area once referred to as Bristow Park. The Santa Ana Freeway borders the neighborhood to the north and the Long Beach Freeway cuts through the center of the area. The neighborhood consists primarily of single family homes. Additional units have been constructed on the rear portions of the single-family lots. A large number of homes within the neighborhood are in disrepair and the neighborhood has a generally blighted appearance. Industrial land uses can be found mixed in with the residential developments. The Northwest neighborhood is geographically isolated from the rest of the City by the Union Pacific railroad yards. Direct access to the neighborhood is difficult with Telegraph Road being the only link to the central city.

Ferguson: The Ferguson neighborhood consists of an even mix of single-family and multiple-family units which line the east side of Gerhart Avenue and the south side of Ferguson Drive. Most of the homes in this area are fairly well maintained though some units are blighted. The Union Pacific Railway line runs behind the units along Ferguson Drive, and traffic on Ferguson Drive is heavy due to non-residential land uses in the vicinity. The Ferguson neighborhood is also geographically isolated from the City by the Union Pacific railroad tracks. In addition, the Santa Ana Freeway further isolates the neighborhoods and the central city. Direct access to the neighborhood from Commerce is provided Ferguson Drive and Garfield Boulevard.

Southeast: The Southeast neighborhood, lies in the southeastern most corner of the City and contains the highest proportion of multiple-family units. Maintenance on both the single-family and multiple-family units varies considerably. Several redevelopment projects recently have been built within this neighborhood, including Springtree, a 60-unit townhouse development.

Demographic data is also available for households and housing units outside of the existing neighborhoods. The non-neighborhood units typically lie scattered throughout the City's industrial areas, and these units consist primarily of older rental units in varying states of repair.

1.2 Demographic Characteristics

Population

The population of the City of Commerce has not increased significantly since the City's incorporation in 1960. According to the 1960 census, Commerce was reported to have had a population of 9,555 persons. The population grew by 981 persons in the decade that followed, bringing the total number of residents to 10,536 in 1970. The City's population experienced a decline from 1970 to 1980 with the population decreasing by 27 persons to 10,509 in 1980. This decline can be partially attributed to the decrease in the number of housing units (59 units) during that period.

The California Department of Finance (DOF) provides population estimates for cities and counties in the State. Demographic and housing data from the most recent census serve as benchmarks from which estimates for total housing units, occupied housing units, and average household size may be derived. Housing units are estimated with annual adjustments made by adding new units constructed or by subtracting units demolished from the base number. Occupied units are estimated using information provided by utility companies which identifies the number of residential customers. The vacancy rate is then obtained by comparing the number of residential units with the number of residential customers using electricity.

The critical component in the estimation of population is the average household size. This variable is calculated directly from census data and then adjusted according to selected indicators including school enrollments, special census findings in cities with comparable demographic characteristics, intercensal trends, and knowledge of the types of housing units being constructed.

The California Department of Finance estimates that as of January 1, 1989, there were 11,706 persons residing in the City. This growth may be attributed to two factors: 1) an increase in the average household size and 2) the addition of new housing units to the City's housing stock. The latter factor is perhaps most important in explaining the recent increase in the City's population: since the last census was conducted in 1980 approximately 375 new units have been constructed in the City.

The population trends for the City of Commerce are depicted in Tables H-1 and H-2. Table H-1 summarizes population trends based on data obtained in the 1960, 1970 and 1980 census. In addition, the 1989 population estimate for the City provided by the State Department of Finance is provided in the table. Annual population estimates for the City between 1970 and 1989 are provided in Table H-2. The population figures for 1970 and 1980 are actual counts obtained from the U.S. Census conducted for that year.

TABLE H-1: POPULATION GROWTH IN COMMERCE: 1960-1989

Year	Population	% Increase/Decrease
1960	9,555	N/A
1970	10,536	+10.3%
1980	10,509	- 0.3%
1989*	11,706	+11.3%

Source: U. S. Bureau of the Census

* California Department of Finance Estimate, January 1989

TABLE H-2: POPULATION TRENDS 1970-1989

Year	Estimated Population	Percent Increase/Decrease
1970*	10,536	N/A
1971	10,550	+1.3%
1972	10,450	-0.9%
1973	10,250	-1.9%
1974	10,150	-1.0%
1975	10,150	0.0%
1976	10,250	+1.0%
1977	10,350	+1.0%
1978	10,350	0.0%
1979	10,300	-0.5%
1980*	10,509	+2.0%
1981	10,850	+3.2%
1982	11,402	+5.0%
1983	11,851	+3.9%
1984	12,022	+1.4%
1985	12,108	+0.7%
1986	12,306	+1.6%
1987	11,375	-8.1%
1988	11,421	+0.4%
1989	11,706	+2.4%

Sources: U. S. Bureau of the Census (1970, 1980)

* California Department of Finance population estimated for the remaining years.

CITY OF COMMERCE: POPULATION 1970-1989

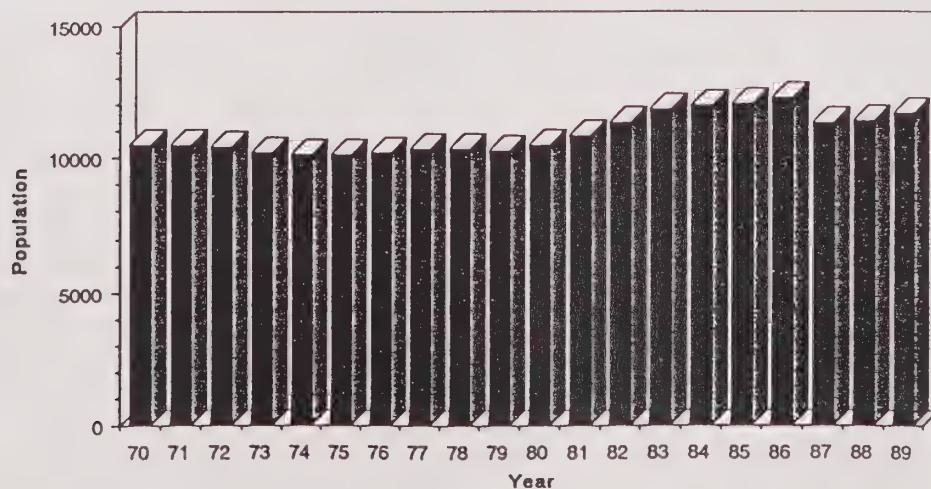


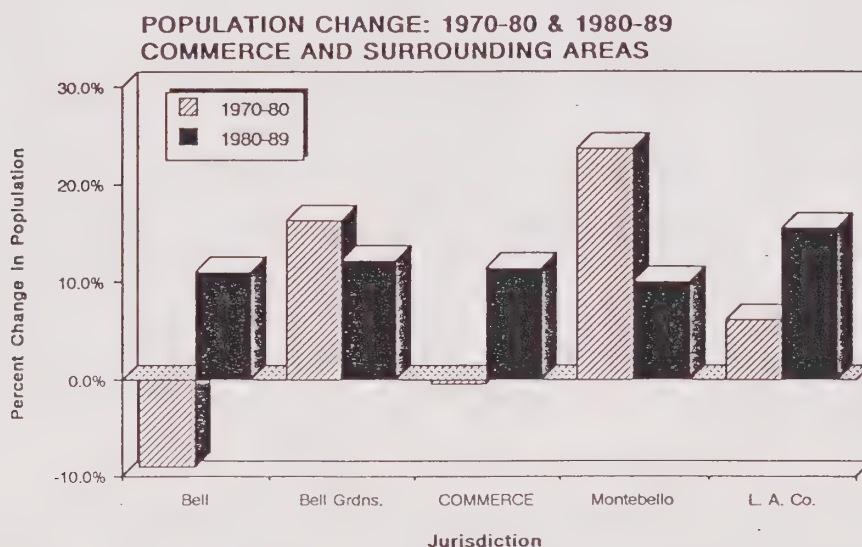
Table H-3 compares population growth in Commerce with surrounding cities and with Los Angeles County. As evident from examination of this table, the City of Commerce and the City of Bell actually had a decrease in the number of persons residing in their jurisdictions between 1970 and 1980; whereas, the adjacent cities had significant increases in population. However, since 1980 an overall increase in population has occurred in Commerce and outlying cities.

TABLE H-3: POPULATION TRENDS, COMMERCE AND SURROUNDING AREAS: 1970-1989

Jurisdiction	1970	1980	1989*	% 1970-1980	% 1980-1989
Bell	27,737	25,450	28,271	- 9.0	+11.0
Bell Gardens	29,308	34,117	38,319	+16.4	+12.3
Commerce	10,536	10,509	11,706	- 0.3	+11.4
Montebello	42,807	52,929	58,233	+23.6	+10.0
Los Angeles Co.	7,032,075	7,477,503	8,650,337	+ 6.3	+15.6

Source: 1970 and 1980 U.S. Census Reports

*Calif. Dept. of Finance, Controlled Population Estimates for 1/1/89



The 1980 Census for the City of Commerce was conducted in such a way so that specific demographic and socio-economic characteristics could be identified at the neighborhood level. To accomplish this, the City participated in the voluntary Neighborhood Statistics Program (NSP) offered by the Bureau of the Census. This program was designed to provide comparable statistics at the neighborhood level which is normally provided at the census tract level.

The Neighborhood Statistics Program was especially compatible with Commerce since the City is made up of distinct neighborhoods. Nearly 95 percent of the City's residents live in the five clearly defined neighborhoods: Bandini-Rosini, Ferguson, Northwest, Rosewood, and Southeast. In 1980, only 5.5 percent of the City's population was living outside of these neighborhoods. The 1980 population of these five neighborhoods is shown in Table H-4.

TABLE H-4: NEIGHBORHOOD POPULATION IN 1980

NEIGHBORHOOD	POPULATION	% of Population
Bandini-Rosini	3,636	34.6
Ferguson	762	7.3
Northwest	1,634	15.5
Rosewood	1,588	15.1
Southeast	2,306	21.9
Remainder of City	583	5.5
Total	10,509	100.0

Source: 1980 U.S. Census

Race and Ethnicity

The race and ethnicity of those persons living in the City in 1980 are indicated in Table H-5 below. The U.S. Census categorizes persons according to race and includes the following categories: 1) White, 2) Black, 3) American Indian, Eskimo and Aleut, 4) Asian and Pacific Islander, and 5) Other. The Census further classified persons of Spanish origin. In 1980, individuals classified themselves as Hispanic, therefore persons categorized as white or black may also be of Spanish origin; thus the race and ethnicity classifications are not mutually exclusive.

Table H-5 summarizes race and ethnicity statistics for the entire City and the five neighborhoods in 1980. As evident from the examination of this table, the City is predominantly comprised of residents of Spanish origin (over 85%). Other minorities comprise less than two percent of the total population. The large proportion of Hispanic residents are typical for those cities located in the East Los Angeles region of which Commerce is a part.

TABLE H-5: RACE AND ETHNICITY - 1980

NEIGHBORHOODS	# WHITE	# BLACK	# AMER. INDIAN	# ASIAN	# OTHER	TOTAL #	# SPANISH ORIGIN
Bandini-Rosini	2786	3	28	26	793	3636	3239
Ferguson	529	--	1	1	231	762	703
Northwest	1034	29	6	1	564	1634	1523
Rosewood	1206	--	6	20	356	1588	1376
Southeast	1642	6	49	16	593	2306	1646
Remainder of City	465	--	9	1	108	583	450
Total	7662	38	99	65	2645	10509	8937
Percent	72.9	0.4	0.9	0.6	25.2	100.0	85.0

Source: 1980 U.S. Census

Note: Race and ethnicity classifications are not mutually exclusive.

In 1980, 34 percent of the City's population was foreign born with the great majority coming from Mexico. A majority of these persons had lived in the United States for more than five years though 12.4 percent of the City's residents indicated they had lived abroad just five years earlier.

Table H-6 presents the race and ethnicity make-up of Commerce in 1989 as estimated by Urban Decision Systems. As this table reveals, the majority of Commerce's population is still Spanish/Hispanic totaling 93.0 percent of the City's population. This number represents a substantial increase - 9.4 percent - of Spanish/Hispanic persons in the City since the 1980 Census Report. Additional ethnic categories experiencing very slight increases include Black, American Indian, and Asian.

TABLE H-6
CITY OF COMMERCE
ETHNIC COMPOSITION: 1989

Race and Ethnicity	Population	% Total
White	11,273	96.3
Black	223	1.9
American Indian	117	1.0
Asian/Pacific Islander	70	0.6
Other	23	0.2
Total	11,706	100.0
Spanish/Hispanic Origin	10,886	93.0

Source: Urban Decision Systems, Demographic Trends: 1980-89-94

Age

The 1970 and 1980 Censuses provide information concerning the age of the City's resident population. These statistics, unlike the data for race and ethnicity, are comparable for both the 1970 and 1980 Census so comparisons are possible. In Table H-10, the age characteristics of the population derived from the 1970 census is compared with statistics from the 1980 Census.

An examination of Table H-7 reveals an anomaly that was not characteristic of surrounding jurisdictions for that same period and, in fact, may not be representative of long term demographic trends in the City. First, the proportion of pre-school and school-aged children under 10 years of age declined in the 10-year period between 1970 and 1980. Second, the elderly population grew both in proportion to the rest of the population and in actual numbers. This shift towards an "older population" resulted in the median age of the City increasing from 23.4 years in 1970 to 24.1 years in 1980.

In reviewing Table H-8, which presents estimates of the City's age characteristics in 1989, the proportion of younger persons under 20 years of age has not changed since 1980 nor has the percentage of elderly persons. Nonetheless, the median age in Commerce has continued to show an upward trend, increasing from 24.1 years in 1980 to 25.8 years in 1989.

Most of the neighboring cities in the east Los Angeles region exhibited considerable growth in the decade following 1970 due in large part to a trend towards larger families and an influx of young adults moving into the area looking for employment. In some cities in the surrounding region this population growth corresponded to a period when there was an actual decline in the number of available units resulting in problems of overcrowding. The stability of the population living in Commerce has contributed to a large measure for the "aging" of the City's population. Many of those persons identified in the 1970 census were still residing in the City during the 1980 census. It should be noted, however, that Commerce does have a younger population when compared with statistics from Los Angeles County. The median age for County residents in 1989 is 28.7 years compared to 25.8 years for the City. In addition, the percentage of City residents under 20 years of age is 40.9 percent compared with 30.1 percent for Los Angeles County.

TABLE H-7: AGE CHARACTERISTICS OF THE POPULATION: 1970 AND 1980

AGE GROUP	1970		1980	
	NO.	%	NO.	%
0 - 9 years	2575	24.4	2215	21.1
10 - 19	2093	19.9	2116	20.1
20 - 29	1705	16.2	1974	18.8
30 - 39	1237	11.8	1284	12.2
40 - 49	1158	11.0	929	8.9
50 - 59	889	8.4	937	8.9
60 - 69	593	5.6	655	6.2
70 - 79	221	2.1	315	3.0
80+	65	0.6	84	0.8
TOTAL	10,536	100.0	10,509	100.0

Source: 1970 and 1980 U. S. Census

TABLE H-8: AGE CHARACTERISTICS OF THE POPULATION: 1989

AGE GROUP	# of Persons	% of Population
0 - 5 years	1640	14.0
6 - 13	1664	14.2
14 - 17	820	7.0
18 - 20	668	5.7
21 - 24	902	7.7
25 - 34	1887	16.1
35 - 44	1312	11.2
45 - 54	1113	9.5
55 - 64	727	6.2
65+	973	8.3
TOTAL	11,706	100.0

Source: Urban Decision Systems, Demographic Trends: 1980-89-94

1.3 Housing Characteristics

Housing Growth

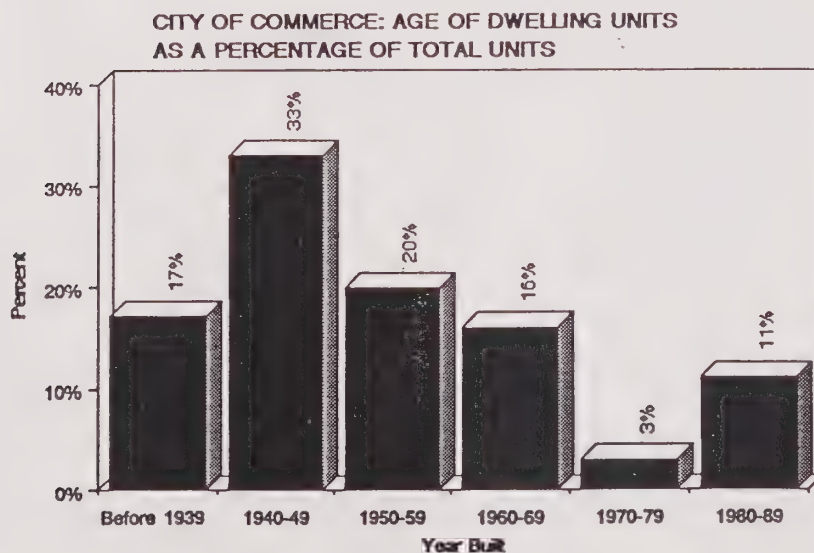
As of January 1, 1989, the California Department of Finance estimated that there were 3,325 dwelling units in the City of Commerce. An estimated 50 percent of these units were constructed prior to 1950 and approximately 11 percent have been constructed since 1980. The majority of the new units constructed since 1980 are located in the Rosewood neighborhood as part of the Village Homes project. This project includes 140 single-family homes and 96 multiple-family units reserved for senior citizens. The age of the housing stock within the City of Commerce is summarized in Table H-9.

TABLE H-9: AGE OF COMMERCE HOUSING STOCK - 1989

YEAR BUILT	UNITS	PERCENT
Before 1939	587	17%
1940 - 49	1,097	33%
1950 - 59	658	20%
1960 - 69	521	16%
1970 - 79	87	3%
1980 - 89*	375	11%
TOTAL	3,325	100%

Sources: 1980 U.S. Census

*Department of Finance Population and Housing Estimate



The majority of the housing constructed since 1960, the date of incorporation, has consisted primarily of infill construction. Large scale residential construction is limited to redevelopment projects such as Village Homes, Greenwood Townhomes, and Telacu Manor in the Southeast neighborhood. Additional residential development has occurred as small infill projects in redevelopment areas.

Structural Characteristics

Unit types within the City of Commerce for 1970, 1980 and 1989 are provided in Table H-10. The unit breakdown for 1989 is a Department of Finance estimate. As evident from the examination of Table H-10, the majority of the units in the City are single family dwellings, though the number of multiple-family units consisting of five or more units has doubled since 1970. This trend has continued with the construction of the 60-unit Greenwood Townhomes project in the Southeast neighborhood.

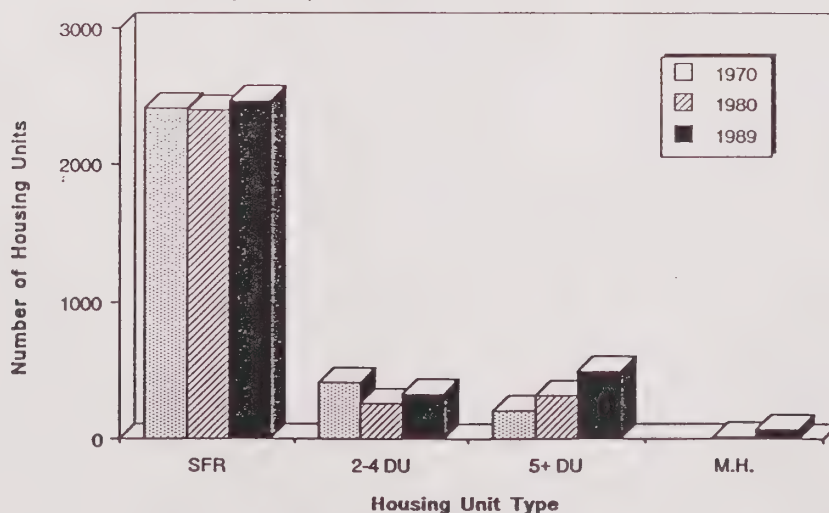
TABLE H-10: HOUSING UNIT TYPE, 1970-1989

TYPE	1970		1980		1989 (est)*	
	#	%	#	%	#	%
Single-Family	2414	79.0	2406	80.0	2480	74.6
2-4 Units	421	14.0	256	8.6	337	10.1
5+ Units	214	7.0	317	10.6	502	15.1
Mobile Homes	N/A	--	11	0.4	6	0.2
TOTAL	3049	100.0	2990	100.0	3325	100.0

Source: 1970 and 1980 U.S. Census

*California Department of Finance

CITY OF COMMERCE: HOUSING UNITS BY TYPE
1970, 1980, & 1989



The Neighborhood Statistics Program conducted as part of the 1980 Census provided data concerning structural characteristics of the housing units at the neighborhood level. These statistics are presented in Table H-11. According to the 1980 Census, the Bandini-Rosini neighborhood contained approximately 36 percent of the City's units making it the City's largest neighborhood. The Southeast neighborhood, with approximately 24 percent, was the next largest followed by Rosewood with nearly 15 percent of the City's housing. The Northwestern neighborhood accounted for approximately 12 percent of the City's housing stock and the Ferguson neighborhood was the smallest with nearly 7 percent. The remaining 6 percent of the City's housing is distributed throughout the City.

The more recent large scale residential projects completed since 1980 or currently under construction were not included in the data obtained in the Neighborhood Statistics Program. These major residential developments include the Village Homes project in the Rosewood neighborhood and the Greenwood Townhomes and Telacu Manor development in the Southeast neighborhood. Telacu Manor is a Section 202 project consisting of 76 units.

TABLE H-11: STRUCTURAL CHARACTERISTICS OF HOUSING BY NEIGHBORHOOD - 1980

Neighborhood	Single-Family		Single-Family		Duplex		3-4 Unit		5 or more		Mobile		Total	
	Detached		Attached								Home			
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Bandini-Rosini	784	72.3	89	8.2	44	4.1	37	3.4	119	11.0	11	1.0	1084	100.0
Ferguson	120	58.2	38	18.4	-		20	9.7	28	13.6	--		206	99.9
Northwest	267	73.6	32	8.8	36	9.9	17	4.7	11	3.0	--		363	100.0
Rosewood	297	66.7	89	20.0	30	6.7	-		29	6.5	--		445	99.9
Southeast	457	65.1	74	10.5	12	1.7	43	6.1	116	16.5	--		702	99.9
Remainder of	109	57.4	50	26.3	6	3.2	11	5.8	14	7.4	--		190	100.1
City														
TOTAL	2034	68.0	372	12.4	128	6.0	128	4.3	317	10.6	11	0.4	2990	100

Source: 1980 U.S. Census

Tenure

The tenure distribution of a community's housing stock (owner versus renter) influences several aspects of the local housing market. Residential mobility is influenced by tenure, ownership housing evidencing a much lower turnover rate than rental housing. Housing overpayment, while faced by many households regardless of tenure, is far more prevalent among renters. Tenure preferences are primarily related to household income, composition, and age of householder.

In 1980, 51.1 percent of the occupied housing units in Commerce were rentals and 46.1 percent were owner-occupied. The vacancy rate for housing units during this period was 2.7 percent.

Information concerning the tenure of housing in the individual neighborhoods, obtained from the 1980 Census, is summarized in Table H-16. In the Bandini-Rosini neighborhood, owner-occupied housing accounts for approximately 58 percent of the units in the neighborhood. The only remaining neighborhood where owner-occupied units are in the majority is Rosewood where approximately 66 percent of the units were owner occupied. Owner-occupied units were in a significant minority in the remaining neighborhoods ranging from 35.4 percent in the Ferguson neighborhood to 33.3 percent in the Northwest neighborhood. The more recent residential developments in the Rosewood and Southeast neighborhoods will add to the number of owner-occupied units in those neighborhoods.

TABLE H-12: TENURE OF COMMERCE HOUSING BY NEIGHBORHOOD - 1980

NEIGHBORHOOD	OWNER OCCUPIED		RENTER OCCUPIED		VACANT		TOTAL	
	#	%	#	%	#	%	#	%
Bandini-Rosini	627	57.8	428	39.5	29	2.7	1084	100
Ferguson	73	35.4	133	64.6	2	--	208	100
Northwest	121	33.3	222	61.2	17	5.5	360	100
Rosewood	295	66.3	146	32.8	2	0.1	443	100
Southeast	240	34.2	431	61.4	24	4.4	695	100
Remainder of City	21	11.1	169	88.9	8	--	198	100
CITY TOTAL	1377	46.1	1529	51.1	82	2.7	2988*	100

Source: 1980 U.S. Census

* Does not add to 2990 due to Census enumeration methods.

Housing Conditions

For the most part, housing units within the City are in good condition. Conditions vary from neighborhood to neighborhood, and as might be expected, the wealthier neighborhoods and those with a higher percentage of owner-occupants in general have better maintained units. To aid the low and moderate income groups, the Community Development Department maintains a very active rebate and loan program. The Redevelopment Department also assists these income groups by acquiring properties and developing affordable housing units such as the Village Homes project. These programs contribute to the generally sound condition of the housing stock in the City. As illustrated in Table H-9, 11 percent of the City's housing stock has been constructed since 1980. This is due largely to innovative and aggressive rehabilitation programs and redevelopment projects.

Housing condition problem areas exist in the Northwest, Southeast, and Ferguson neighborhoods. A windshield housing conditions survey was performed in March of 1986, and as Table H-12A demonstrates, a number of deteriorating units were identified. Almost 10 percent of the units were classified substandard or dilapidated. HUD defines substandard units as those in need of rehabilitation; dilapidated units should be replaced.

TABLE H-12A: HOUSING CONDITIONS - 1986

NEIGHBORHOOD	TOTAL UNITS	SATISFACTORY UNITS		SUBSTANDARD UNIT		DILAPIDATED UNITS	
		#	%	#	%	#	%
Bandini-Rosini	1084	1022	94.3	60	5.5	2	0.1
Ferguson	206	189	91.7	14	6.8	3	1.5
Northwest	363	289	79.6	57	15.7	17	4.7
Rosewood	445	415	93.2	29	6.5	1	0.2
Southeast	457	302	83.6	66	14.0	9	2.0
Remainder of City	190	N/A		N/A		N/A	
Totals	2745	2217	80.8	226	8.2	32	1.2

Source: 1986 CBA Housing Conditions Survey

N/A = Not Available

Note: Percents do not add up to 100 percent and numbers do not add to 2745 since all units were not included in survey.

In order to upgrade the problem areas in a timely and orderly manner, the City has established "project areas" in both the Northwest and Southeast neighborhoods. Both areas have the largest number of substandard and dilapidated units and the lowest percentage of owner-occupied homes. The Redevelopment Department has developed a revitalization plan for the

Northwest neighborhood, and this is being implemented through the specific plan process. In the Southeast sector, redevelopment project areas have been established. Older dilapidated units are being removed to create space for higher density projects like the Greenwood Townhouses.

The City continually surveys its neighborhoods to identify substandard units. Two full-time property Code Enforcement officers investigate illegal units and units in need of assistance. These staff members identify illegal garage conversions and room additions which may not have been built in accordance with adopted building codes and may therefore be considered substandard housing units. Code Enforcement officers distribute brochures for the City's rehabilitation programs to residents cited for building violations to encourage use of the program by qualified residents.

Housing Costs

Commerce homeowners and renters face low housing costs in relation to the County as a whole. The 1980 Census reported the median house value in Commerce to be \$60,900 and the median rent to be \$185. According to these figures, housing in Commerce is less expensive than housing in most surrounding communities (see Table H-13). By 1985, the median selling price of single-family homes in Commerce had risen to approximately \$80,500, representing a 24 percent increase in five years. Rental rates have also increased, as shown in Table H-14.

TABLE H-13: 1980 HOUSING COSTS, COMMERCE AND REGION

Jurisdiction	Median Value	Median Rent
East Los Angeles	\$54,000	\$ 171
Bell Gardens	\$59,800	\$ 212
Commerce	\$60,000	\$ 185
Bell	\$65,000	\$ 206
Montebello	\$86,300	\$ 254
Los Angeles County	\$87,400	\$ 244

Source: 1980 U.S. Census

TABLE H-14: 1985 COMMERCE HOUSING COSTS

UNIT TYPE	MEDIAN	AVERAGE	RANGE
SINGLE-FAMILY (cost to buy per unit)			
1 Bedroom	\$55,000	\$55,600	\$44,000 - \$ 74,000
2 Bedroom	78,000	77,100	50,000 - 100,000
3 Bedroom	96,750	93,990	66,000 - 123,400
MULTI-FAMILY (cost to rent per month)			
1 Bedroom	\$ 300	\$ 286	\$ 180 - 375
2 Bedroom	392	390	225 - 525
3+ Bedroom	479	453	331 - 479

Sources: California Market Data Center
Commerce Tenant Survey

Table H-15 is a comprehensive representation of single-family sales prices for the time period September 1988 through August 1989. The prices represent 58 homes sold during the one-year period as re-sales; prices for new construction could be expected to be slightly higher. The average age of the units sold was between 35 and 45 years. The average price of housing sold in the City was \$131,517, representing a housing price increase of approximately 120 percent over the 1980-1989 period. The average for-sale housing price county-wide had increased to \$226,309 by July 1989, representing a 160 percent increase since 1980. This data indicates that while housing costs have increased significantly in Commerce, cost increases are significantly below those experienced county-wide. For-sale housing costs in Commerce have remained more affordable than the average for the region.

TABLE H-15: SINGLE FAMILY SALES PRICES: SEPTEMBER 1988 - AUGUST 1989

Average Sale Price	Average Lot Size	Average Square Feet
1 Bedroom - \$88,500	3,848	669
2 Bedroom - \$125,076	4,187	928
3 Bedroom - \$141,456	6,337	1,282
4 Bedroom - \$153,700	3,827	1,295
TOTAL UNITS-\$131,517 (\$140,000 Median)	5,017	1,080

Source: City of Commerce, Planning Department

According to the City's Housing Programs Manager, Commerce has a range of rental opportunities to meet the needs of both small households and large families. Monthly rental rates average from \$375 to \$450 for one bedroom units, \$475 to \$575 for two bedroom units, and \$800 to \$1,100 for three bedroom units. Most of the three bedroom rentals are single family homes. Like for-sale housing costs, Commerce's rental rates have remained below county-wide market rents.

1.4 Household Characteristics

General Characteristics

The characteristics of the population provide an essential component toward the understanding of growth and change in a community. In addition, information collected on the household level provides a good base for the analysis of a community's housing needs. The Bureau of the Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households.

In 1980, there were 2,889 households in Commerce. According to the Department of Finance, the City had grown to 3,207 households in 1989, representing an 11 percent increase during the nine year period. These households consist of single persons, families and groups of persons living together.

According to the 1980 Census, families make up most of Commerce's households, whereas single persons comprise only about 14 percent of the household population. As might be expected, most of the single-person households were located in the Bandini-Rosini and the Southeast neighborhoods, the areas which contain the highest proportion of multiple family dwelling units and units designed to provide housing for the elderly.

TABLE H-16: HOUSEHOLD CHARACTERISTICS BY NEIGHBORHOOD - 1980

CENSUS TRACT	TOTAL	FAMILIES		SINGLES		AVERAGE SIZE	OVERCROWDED	
		NO.	%	NO.	%		NO.	%
Bandini-Rosini	1,010	798	79.0	173	17.0	3.46	271	26.7
Ferguson	192	158	82.3	18	9.3	3.85	66	34.2
Northwest	384	319	83.1	40	11.3	4.23	144	40.7
Rosewood	466	418	89.7	39	8.7	3.51	82	18.3
Southeast	640	540	84.4	106	16.5	3.50	179	28.0
Remainder of City	197	170	86.3	31	18.5	3.33	66	39.3
TOTAL	2,889	2,403*	83.2	407*	14.1	3.59	808	28.7

Source: 1980 U.S. Census

(*) Numbers do not add to 2889 and percents do not add to 100 since all households are not included in these categories. Percents represent percent of total households in each category.

Table H-16 shows that in 1980 the average household size was 3.59 persons. By 1989, this figure had increased slightly to 3.62 persons per household, which is high compared to the Los Angeles County average household size of 2.75 persons. This large household size could be indicative of unit overcrowding. (The Census Bureau defines an overcrowded household as one which contains more than 1.01 persons per room.) In fact, over one quarter of the households in Commerce experience overcrowding according to the 1980 U.S. Census.

A drive through Commerce reveals that many garages have been converted illegally to living space and a large number of homes enlarged by room additions. These additions are squeezed onto already cramped lots, thereby creating an external sense of overcrowding. Overcrowding is also evidenced by the great number of cars which are parked in driveways, on the streets and on front lawns. The overcrowding is probably understated since undocumented residents are not included in census figures, and many undocumented residents reside in Hispanic communities.

Special Needs Groups

Certain segments of the population may have a more difficult time finding decent, affordable housing due to special circumstances. In Commerce, these "special needs" households include the elderly, handicapped persons, large families, female-headed households, farmworkers, and the homeless. The number of special needs households and/or persons in Commerce is summarized in Table H-17.

TABLE H-17: SUMMARY OF SPECIAL NEEDS GROUPS: 1989

Needs Group	Number of Households/Persons	% of Total Households/Population
Elderly	972	8.3
Handicapped	179	5.6
Large Families	818	19.9
Female-headed Households	491	15.3
Farmworkers	7 (1983)	.2

Sources: 1980 U. S. Census Report and Urban Decision Systems,
Demographic Trends: 1980-89-94

Elderly: The special needs of many elderly households result from their lower fixed incomes, physical disabilities, and dependence needs. The elderly comprise 8.3 percent (972 total households) of the City's 1989 household population. The elderly can be expected to increase as those persons between the age of 35 and 64 grow older. Many elderly households in the City are of lower income and are in need of rental assistance. Housing costs can significantly impact the percentage of monthly income which elderly households pay for housing.

Handicapped: Physical handicaps can hinder access to housing units of traditional design as well as limit the ability to earn adequate income. The 1980 U.S. Census reported 5.4 percent of the City's households as handicapped. Applying this proportion to the City's 1989 households translates to an estimated 179 handicapped households. Handicapped households do not necessarily require specialized group or institutional quarters. Rather, many handicapped persons and households have ambulatory disabilities which can be accommodated in standard housing units adapted to meet handicapped needs. Housing opportunities for the handicapped can be maximized through the provision of affordable, barrier free (e.g., larger bathrooms, wider hallways, grab rails, etc.) housing.

Large Families: Large families are identified as a group with special housing needs based on the limited availability of adequately sized, affordable housing units. Large families are often of lower income, frequently resulting in the overcrowding of smaller dwelling units and in turn accelerating unit deterioration. An estimated 20 percent of the City's households in 1989 had five or more members, translating to 818 households. Compared to 1980, this represents a 9 percent decrease in the number of large households.

Female-Headed Households: Female-headed households tend to have low incomes, thus limiting housing availability for this group. Female-headed households account for 15.3 percent (491 total) of the City's household population. In 1989, an estimated 312 female-headed households (63.5%) in Commerce had dependent children under 18 years of age. Thus, providing housing opportunities for this group relates both to affordability and services related to the care of children.

Farmworkers: The special housing needs of many farmworkers stem from their low wages and the insecure nature of their employment. Most Commerce residents work in the Los Angeles - Long Beach Metropolitan area in non-agricultural occupations. The SCAG 1983 Regional Housing Allocation Model identified seven farmworker households in the City, accounting only 0.2 percent of total households in the City.

Homeless: Throughout the country, homelessness has become an increasing problem. Factors contributing to the rise in homeless include the general lack of housing affordable to low and moderate income persons, increases in the number of persons whose incomes fall below the poverty level, reductions in public subsidy to the poor, and the de-institutionalization of the mentally ill.

Due to the City's industrial character, there are few homeless in Commerce, and no emergency shelters are located within the City limits. A maximum of five homeless individuals have been observed by Commerce staff at any given time. The homeless in Commerce are usually passing through to another city, such as Bell, which houses a regional emergency shelter. The Bell shelter is operated by the Salvation Army and offers overnight accommodations and other services to the homeless. The shelter provides a daily shuttle service to their facility, with pickups at the Salvation Army headquarters in Huntington Park, Hollywood, East Los Angeles, Compton, and Long Beach. Services provided include overnight lodging, food, and use of shower and laundry facilities. These emergency services are available to homeless individuals and families on a per night basis, with the shelter able to accommodate a total of 250 persons.

In addition to the Bell shelter, numerous emergency shelters are located in close proximity to Commerce. While Commerce does not currently have a noticeable homeless population, these nearby shelters could accommodate any potential homeless in the City. Table H-18 presents a listing of agencies which provide social services in the vicinity of Commerce.

TABLE H-18: EMERGENCY SHELTERS IN COMMERCE VICINITY

Name	Location	Service Provided	Capacity
Women's & Couples Shelter Program	611 E. 5th Street Los Angeles, CA	Provides shelter for single women and couples.	109
Weingart Center Association	511-515 E. 6th St. Los Angeles, CA	Provides shelter for voucher recipients and walk-ins who are couples or singles.	360
Union Reserve Mission/Bethel Haven	226 S. Main St. Los Angeles, CA	Provides 98 beds for transients, 12 for women, 2 cribs for singles, couples, and families.	112
Transition House (Skid Row Development Corp.)	543 Crocker Los Angeles, CA	Provides shelter for singles.	130
Kay Martin Shelter/ Women Against Sexual Assault	P. O. Box 4130 Downey, CA	Provides shelter for sexually assaulted or battered women and children.	10
L.A. Catholic Workers-Crisis Emergency Shelter	632 N. Britannia Los Angeles, CA	Provides shelter for homeless on Skid Row for singles, couples, and families.	14
American Soul Clinic Mission	445 Towne Avenue Los Angeles, CA	Provides shelter for single men.	80
Chicano Service Action Center	1264 W. First St. Los Angeles, CA	Provides shelter for battered women and their children.	14
Gospel Missions of America	123 S. Rampart Los Angeles, CA	Provides shelter for singles, couples, and families with children.	7
Emanuel Baptist Rescue Mission	530 E. 5th St. Los Angeles, CA	Provides shelter for single men.	54
Midnight Rescue Mission	396 S. Los Angeles St. Los Angeles, CA	Provides shelter for single men only.	117
Salvation Army - Zahn Memorial Center	832 W. 9th St. Los Angeles, CA	Provides shelter for families, single women, and women with children.	54
Salvation Army - Harbor Light Center	809 E. 5th St. Los Angeles, CA	Provides shelter for single men only.	290

Source: California Homeless Coalition, California Homeless Shelter Provider Directory

Household Income

An important factor with respect to housing affordability is household income. While upper income households have more discretionary income to spend on housing, low and moderate income households are more limited in the range of housing they can afford.

Commerce's median household income in 1979 was \$15,292. As illustrated in Table H-19, household incomes in Commerce were significantly below (13%) those in the County as a whole. This table also reveals that, in general, income levels in surrounding communities fell below both the Commerce and Los Angeles County levels.

TABLE H-19
MEDIAN HOUSEHOLD INCOME:
COMMERCE AND SURROUNDING AREAS
1979

JURISDICTION	MEDIAN HOUSEHOLD INCOME	PERCENT OF COUNTY MEDIAN
Bell	\$12,636	-28.0%
Bell Gardens	12,137	-30.8%
Commerce	15,292	-12.9%
East Los Angeles	12,316	-29.8%
Montebello	17,731	+ 0.02%
Los Angeles County	17,551	-

Source: 1980 Census

The 1980 Census statistics also provided income statistics on the neighborhood level, as illustrated in Table H-20. The Rosewood neighborhood, which contains the highest percentage of owner-occupied dwellings, has the highest median income level. Household income levels are the lowest in the non-neighborhood areas and in the Northwest neighborhood. The Ferguson area, however, has the greatest proportion of impoverished households in Commerce, with 16.5 percent of the households in this neighborhood with incomes which fall below the poverty level.

**TABLE H-20
CITY OF COMMERCE
NEIGHBORHOOD HOUSEHOLD INCOME STATISTICS
1979**

NEIGHBORHOOD	NUMBER OF HOUSEHOLDS	MEDIAN HOUSEHOLD INCOME	PERCENT HOUSEHOLDS BELOW POVERTY
Bandini-Rosini	1,010	\$14,921	11.3%
Ferguson	192	15,370	16.5%
Northwest	384	14,063	14.4%
Rosewood	466	18,971	8.9%
Southeast	640	15,843	10.2%
Remainder of City	197	13,542	15.3%
City Total	2,889	\$15,292	12.8%

Source: 1980 Census

The Department of Housing and Urban development and the State Department of Housing and Community Development has developed the following income categories and their definitions:

- ° Very Low Income - less than 50 percent of the regional (County) median.
- ° Low Income - between 51 and 80 percent of the County median.
- ° Moderate Income - between 81 and 120 percent of the County median.
- ° Upper Income - greater than 120 percent of the County median.

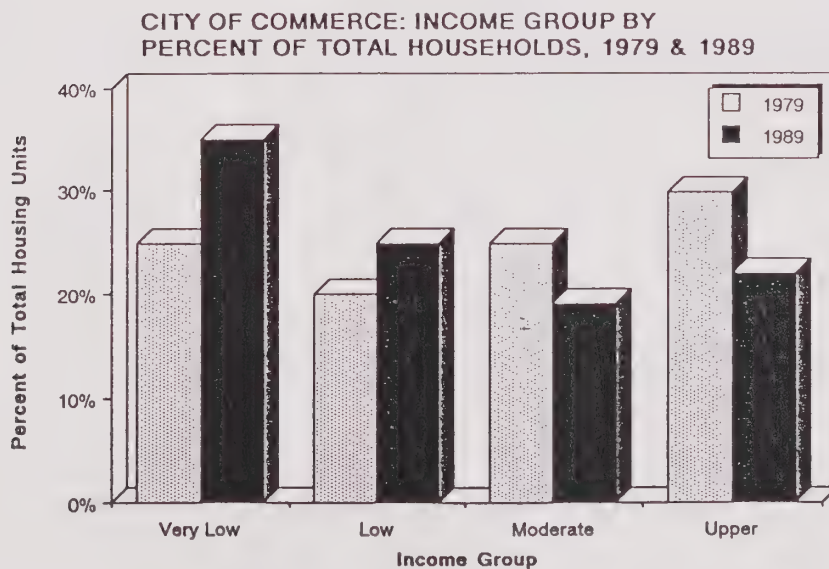
The City's 1979 income distribution can be divided into these four income categories through interpolation, as presented in Table H-21. In addition, estimates of 1989 household income in Commerce have been obtained from Urban Decision Systems, and have been grouped into the four income categories based on a 1989 median household income of \$38,000 for Los Angeles County. Comparing the City's income distribution in these two years provides insights into the changing income characteristics of the City's population.

According to estimates of current household income, Commerce has experienced a proportional increase in Very Low Income (from 24.6% to 34.6%) and Low Income (from 20.3% to 24.5%) households during the 1979-1989 period. Conversely, the City has evidenced both a numeric and proportional decrease in Moderate and Upper Income households, with approximately 19 and 22 percent of Commerce households in each respective income category. While Commerce evidenced a significant increase of 70 percent in overall median household income during the 1979-1989 period (from \$15,292 to \$25,990), median incomes in Los Angeles County grew by an even greater degree, increasing by 116 percent over the period (from \$17,551 to \$38,000). The change in Commerce's income distribution, in particular the relative increase in lower income households, results largely from the significant growth in County-wide incomes.

**TABLE H-21
CITY OF COMMERCE
INCOME GROUPS: 1979 & 1989**

Income Group	1 9 7 9		1 9 8 9	
	Number of Households	Proportion of Households	Number of Households	Proportion of Households
Very Low (Less than 50% County median income)	713	24.6%	1,109	34.6%
Low Income (50% - 80% County median income)	588	20.3%	786	24.5%
Moderate Income (80-120% County median income)	716	24.9%	600	18.7%
Upper Income (Greater than 120% County median income)	872	30.2%	712	22.2%
TOTAL	2,889	100%	3,207	100.0%
1979 median County household income: \$17,551				
1989 median County household income: \$38,000				

Source: U.S. Dept. of Commerce, Bureau of Census, 1980 Census Report;
Urban Decision Systems, Income: 1980-89-94;
Cotton/Beland/Associates, Inc.



Housing Affordability

State and Federal standards for housing overpayment are based on an income-to-housing cost ratio of 30 percent and above. Households paying greater than this amount have less income left over for other necessities such as food, clothing, utilities and health care. It is recognized, however, that Upper Income households are generally capable of paying a larger proportion of their income for housing, and therefore estimates of housing overpayment generally focus on lower income groups.

The Regional Housing Needs Assessment (RHNA) prepared by SCAG identifies housing overpayment for the City's lower income households. Utilizing income data from the 1980 census, SCAG estimates there were a total of 1,450 lower income (Very Low and Low) households in Commerce in 1988. An estimated 586 of these lower income households were paying more than 30 percent of their income on rent or mortgage payments as of January 1, 1988, translating to 40 percent of all lower income households. Of these overpayers, 446 are classified as Very Low Income, and 140 are classified as Low Income.

The distinction between renter and owner housing overpayment is important because, while homeowners may over-extend themselves financially to afford the option of home purchase, the owner always maintains the option of selling the home. Renters, on the other hand, are limited to the rental market, and are generally required to pay the rent established in that market. The Regional Housing Needs Assessment has broken down housing overpayment by housing tenure, as presented in Table H-22. Of the total 586 lower income households identified as overpayers, 460 were renter households and only 126 were owner households. This discrepancy is largely reflective of the tendency of renter households to have lower incomes than owner households.

TABLE H-22
CITY OF COMMERCE
LOWER INCOME HOUSEHOLDS PAYING GREATER THAN 30%
OF INCOME FOR SHELTER

Household Tenure	Very Low Income	Low Income	Total
Owner	92	34	126
Renter	354	106	460
Total	446	140	586

Source: SCAG Regional Housing Needs Assessment, June 1988.

1.5 Employment Characteristics

Over 11,000 people call Commerce home. In addition to the fulltime resident population, approximately 70,000 workers flow into the City each working day, swelling the population more than sixfold. Some of these workers are Commerce residents, but the majority reside in surrounding cities. Employment statistics for both of these populations - residential and business - provide useful information about commuting patterns and can be used to assess housing needs.

Employment Characteristics of Commerce Residents

The 1980 Census reported that in 1979, 62 percent of Commerce's available work force (i.e., all persons between 16 and 64 years of age) worked either full time or part time. As Table H-23 shows, many of the workers (42 percent) were employed as laborers, which is not unusual given the great number of industries operating in this portion of Los Angeles County. The individual occupation groups appear equally distributed throughout the neighborhoods, although the Rosewood neighborhood, with the highest median income, contains a slightly higher proportion of "white collar" workers.

An increasing number of families find it necessary to have more than one source of income. In 1979, almost 50 percent of the City's families contained more than one wage earner. The two worker family is becoming more common throughout the nation, and the percentage in Commerce has probably risen since 1980. (See Table H-24.)

The various industries in which Commerce residents worked in 1980 are presented in Table H-25. The most prevalent industry types among inhabitants of the City were industrial occupations which comprise 58 percent of the working population.

Commerce enjoys the benefits of direct access to two important Los Angeles County transportation routes - the Santa Ana and Long Beach freeways. Many Commerce residents use these freeways to commute to work throughout the greater Los Angeles area and beyond. In 1979, 3343 residents, or 89 percent of the work force, worked in the Los Angeles-Long Beach metropolitan area. On the average, an employee travelled 20.4 minutes to work, and the primary means of transportation was the private automobile. Only eight percent of the working population used public transport to reach places of employment.

TABLE H-23: OCCUPATIONS OF COMMERCE RESIDENTS BY NEIGHBORHOOD - 1979

Occupation	Number of Workers						
	Bandini-Rosini	Ferguson	Northwest	Rosewood	Southwest	Remainder of City	Totals
Managerial or Professional	65	24	33	37	78	8	245
Technical, Sales, Administrative, Support	337	74	77	239	133	25	885
Service	201	48	57	184	115	28	633
Farming, Forestry, Fishing	16	0	5	16	0	0	37
Precision Production, Craft, Repair	180	45	55	91	97	60	528
Operators, Fabricators, Laborers	655	106	266	171	331	118	1,647
Totals	1454	297	493	738	754	239	3975

Source: 1980 U.S. Census

TABLE H-24: WORKERS IN FAMILY - 1979

Number of Workers in Family	Number of Families						
	Bandini-Rosini	Ferguson	Northwest	Rosewood	Southeast	Remainder of City	Totals
0	127	26	63	45	53	12	326
1	250	63	118	147	266	82	926
2 or more	421	69	138	226	221	76	1,151
Totals	798	158	319	418	540	170	2,403

Source: 1980 U.S. Census

TABLE H-25
INDUSTRY OF EMPLOYMENT FOR COMMERCE RESIDENTS: 1980

	# of Residents	% of Total
OCCUPATION		
Farming, forestry, and fishing	37	1.0
Operators, fabricators, and laborers	1647	42.0
Precision production, craft, and repair	528	13.4
Services occupations	581	14.8
Technical, sales, and administrative support	885	22.5
Managerial and professional specialty	245	6.2
Total	3923	100.0
SELECTED INDUSTRIES		
Manufacturing	1677	58.6
Wholesale and retail trade	742	25.9
Professional and related services	439	15.3
Total	2858	100.0

Source: U. S. Department of Commerce, Bureau of the Census,
1980 Census Report

Business Population

A 1976 Los Angeles County Community Development Department study revealed that 38 percent of the work force in Commerce was employed in the manufacturing sector. Another 31 percent was involved in wholesale trade.

Since 1976, Commerce has continued to expand as a major distribution center for both durable and non-durable goods. Also, emphasis in the industrial sector has shifted from heavy industrial uses to lighter research and development and manufacturing operations. Employment in the retail and service sectors has also risen as old industrial properties are redeveloped with commercial centers. It is anticipated that growth will continue in those areas, and business population characteristics will change accordingly.

Information received from the City of Commerce, Building Department, indicates that there are approximately 1800 businesses located in Commerce in 1989 providing approximately 70,000 individuals with employment. A vast majority of the employment base is industrial. Major industrial employers are California Card Club, Certified Grocer, Anderson Lithograph, Sinclair Paints, AT&T, City of Commerce, Los Angeles County, Union Pacific Railroad, and Dart Trucking just to name a few. Although Commerce has a large industrial employment base, the commercial industry is also growing. Several businesses have corporate headquarters located in Commerce such as Bank of America, Sanwa Bank, Union Bank, Aaron Brothers Art Mart, and Circuit City.

Another measure of the balance of a community's employment opportunities with the needs of its residents is through a "jobs-housing balance" test. A balanced community would have a match between employment and housing opportunities so that most of the residents could also work in the community. SCAG has identified as a goal for the Commerce subregion (Central Los Angeles) an employment to housing ratio of 1.83 in the year 2010, translating to 1.83 jobs for every 1 housing unit. As could be expected in a highly industrial area, Central Los Angeles had a job/housing ratio of 1.85 in 1984. This high ratio would indicate Central Los Angeles is job rich and should increase its housing opportunities to attain a more balanced community.

As indicated in the 1980 Census Report, the majority of Commerce residents work in manufacturing. Additionally, there is a high industrial employment base in the City. Therefore, the City's employment base appears to match the jobs performed by its residents.

1.6 Housing Constraints

Actual or potential constraints on the provision and cost of housing affect the development of new housing and the maintenance of existing units for all income levels. Land availability, market, governmental, and environmental constraints are factors which place restrictions on new residential development in the City. These obstacles are not insurmountable; however, the first step in overcoming them is recognition of their existence.

Land Availability

Land availability, or the lack of large tracts of vacant, residentially zoned land, places the biggest constraint on residential growth in Commerce. With the exception of scattered vacant lots within existing neighborhoods, residential land in Commerce is completely developed.

The Land Use Element of the General Plan and corresponding zoning provide for a full range of residential types and densities dispersed throughout the City. Densities range from 11 units per acre in areas designated for low density residential use to 27 units per acre in areas designated for high density residential use.

Many of the large vacant parcels in Commerce lie within established industrial zones and industrial areas. Other vacant lots lie adjacent to the numerous railway lines, freeways and urban arterials which traverse the City. Both the industrial uses, which account for approximately 85 percent of Commerce's land area, and the transportation corridors produce noxious sights, sounds, dust, and odors which are incompatible with residential land uses. Several neighborhood areas already are exposed to these annoyances. Problem areas include the Northwest neighborhood, where industrial activities abut homes, and along the railroad tracks in the Bandini-Rosini and Ferguson neighborhoods. The Southeast neighborhood (Greenwood) is impacted by railway lines, industrial operations and freeways.

As mentioned above, vacant parcels lie scattered throughout the City, and although many parcels are located in industrial areas, some lots do lie within well established residential neighborhoods. These lots can be developed individually in accordance with existing zoning requirements, or, where appropriate, several adjacent lots can be acquired for multiple family projects.

The Redevelopment Agency actively and purposely seeks out parcels which individually are difficult to develop. The parcels need not be vacant but may instead contain substandard or dilapidated units which could be removed. The Greenwood Townhouse project in the Southeast neighborhood replaced old single-family units with newer multiple family townhouses. The project yields a higher land use density, yet still allows ownership of units.

An estimated 238 additional units could be developed on vacant land in Commerce. As mentioned above, additional residential development in the City will also be accommodated through several other means, including development on underutilized residential parcels and residential development. The Southern California Association of Governments (SCAG) estimated a future housing need of 86 new units in the City through the year 1994. The General Plan provides for a residential capacity of 312 acres, which is adequate to serve projected future housing demand.

Market Constraints

Construction Costs: The single largest cost associated with building a new house is the cost of building materials, comprising between 40 to 50 percent of the sales price of a home. Overall construction costs rose over 30 percent between 1980 and 1988, with the rising costs of energy a significant contributor. Construction costs for wood frame, single-family construction of average to good quality range from \$40 to \$55 per square foot, custom homes and units with extra amenities running somewhat higher. Costs for wood frame, multi-family construction average around \$42 per square foot, exclusive of parking.

A reduction in amenities and quality of building materials (above a minimum acceptability for health, safety, and adequate performance) could result in lower sales prices. Additionally, pre-fabricated, factory built housing may provide for lower priced housing by reducing construction and labor costs. An additional factor related to construction costs is the number of units built at the same time. As the number of units developed increases, construction costs over the entire development are generally reduced based on economies of scale. This reduction in costs is of particular benefit when density bonuses are utilized for the provision of affordable housing.

Land: Land costs include the cost of raw land, site improvements, and all costs associated with obtaining government approvals. The limited supply of developable vacant land in Commerce has accounted for an increase in raw land costs. However, land costs in Commerce are still substantially less than in most areas. Single-family land use sales average \$12 to \$15 per square foot and multi-family land use sales average about \$9 per square foot. Left alone, the escalating market price of land will tend to encourage mainly higher priced development. Higher density zoning could reduce the cost per unit of land, but land zoned for higher densities commands a higher market price. For this reason, density bonuses rather than zoning changes may be the preferred vehicle for reducing land costs.

Labor Costs: Labor is the third most expensive component in building a house, constituting an estimated 17 percent of the cost of building a single-family dwelling. The cost of union labor in the construction trades has increased steadily since April 1974. The cost of non-union labor, however, has not experienced such significant increases. Because of increased construction activity, the demand for skilled labor has increased so drastically that an increasing number of non-union employees are being hired in addition to unionized employees, thereby lessening labor costs.

Financing: While interest rates have fallen more than 8 percent from their near 20 percent high in the early 1980's, they still have a substantial impact on housing costs which is felt by renters, purchasers and developers. It should be noted that most conventional financing is now variable rate. The ability of lending institutions to raise rates to adjust for inflation will cause many existing households to overextend themselves financially, as well as returning to a situation where high financing costs substantially constrain the housing market. An additional obstacle for the first-time home buyer is the downpayment required by lending institutions of between 10-20 percent.

Housing in Commerce is relatively inexpensive, and a low vacancy rate indicates that the demand for both rental units and owner occupied units is fairly constant. The estimated median sales price of a single-family home in Commerce in 1989 is \$131,303. A \$118,172 mortgage amortized over 30 years at an interest rate of 10.5% would result in monthly house payments of \$1,080. This level of payment is affordable to the upper end of the moderate income range.

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. Jurisdictions can, however, offer interest rate write-downs to extend home purchase opportunities to lower income households. In addition, government insured loan programs may be available to reduce mortgage downpayment requirements.

To the best of the City's knowledge, residential financing is generally available in Commerce, and interest rates do not vary significantly from surrounding areas. The City is not aware of any mortgage deficient areas for new construction or rehabilitation loans.

Profit, Marketing and Overhead: Developer profits generally comprise 10 to 15 percent of the selling price of single-family homes and slightly lower for condominiums. Rising marketing and overhead costs have contributed to the rising costs of housing. Inflation has spurred much of the increase in marketing and overhead. Intense competition among developers has necessitated more advertising, more glamorous model homes and more expensive marketing strategies to attract buyers.

Governmental Constraints

Housing affordability is affected by factors in both the private and public sectors. Actions by the City can have an impact on the price and availability of housing in the City. Land use controls, site improvement requirements, building codes, fees and other local programs intended to improve the overall quality of housing may serve as a constraint to housing development.

Land Use Controls: Government agencies may place administrative constraints on growth through the adoption and implementation of land use policy plans and land use ordinances. The General Plan may limit growth if limited areas are set aside for residential land uses. The zoning ordinances may impose further restrictions if development standards are too rigid or if zoning designations do not conform to existing land uses.

Development standards in Commerce allow up to 11 dwelling units per acre in R-1 zones, 17 dwelling units per acre in R-2 zones, and 27 dwelling units per acre in R-3 zones. Parking requirements for single-family developments are two standard spaces within a garage. Multiple-family development parking requirements are divided into two categories--one bedroom or two plus bedrooms. One bedroom units must have 1-1/2 parking spaces per dwelling unit with one in a garage, and two or more bedroom units must have 2-1/2 parking spaces per dwelling unit with two in a garage.

Single-family landscape amenities require front, side, and rear yard improvements when adjacent to streets, and all on-site utilities placed underground. Multiple-family lots must in addition provide parkway, street trees, and sidewalk improvements; landscape buffer/block wall when adjacent to lower density residences; and a minimum of 5 percent of the parking lot must be landscaped.

In summary, Commerce's land use controls are comparable to other Southern California jurisdictions and are not considered excessive.

Fees and Improvements: Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities, such as utilities, schools and infrastructure. Almost all of these fees are assessed through a pro rata share system, based on the magnitude of the project's impact or on the extent of the benefit which will be derived. However, these fees contribute to the cost of housing and may constrain the development of lower priced units. Certain fees could be waived or subsidized by the City for the provision of lower income and senior citizen housing.

The majority of the Commerce jurisdiction is highly urbanized with most of its necessary infrastructure, such as streets, electrical and water facilities, already in place. As such, the cost of land improvements is less than in undeveloped suburban or rural areas. Table H-26 presents the processing fees for various permits required for new residential development. The City's residential processing fees are much lower than in many comparable jurisdictions.

TABLE H-26

PROCESSING FEES AND PERMIT REQUIREMENTS - 1989

<u>PROJECT</u>	<u>TYPE OF PERMIT</u>	<u>COST</u>	<u>PERMITTING AGENCY</u>
A. New Single Family Unit	Plot Plan	\$ 0	City of Commerce Community Development
	Plan Check Fee	\$ 118 and up (1)	County of Los Angeles Building & Safety
	Building Permit	\$ 138 and up (1)	
	Permit Issuance Fee	\$ 10.50	Los Angeles Unified School District Montebello Unified School District
	School Impact Fee	\$ 1.56 per sq.ft.	
B. New Multi-Family Unit	Plot Plan	\$ 0	Community Development
	Zone Change (4)	\$ 500.00	
	Plan Check Fee	\$ 214 and up (2)	Building & Safety
	Building Permit	\$ 252 and up (2)	
	Permit Issuance Fee	\$ 10.50	Los Angeles Unified School District Montebello Unified School District
	School Impact Fee	\$ 1.50 per sq.ft.	
C. Addition to Single or Multi-Family Unit	Plot Plan	\$ 0	Community Development
	Modification of Standards (5)	\$ 50	
	Plot Check Fee	\$ 25 and up (3)	Building & Safety
	Building Permit	\$ 26 and up (3)	
	Permit Issuance Fee	\$ 10.50	Los Angeles Unified School District Montebello Unified School District
	School Impact Fee	\$ 1.56	

- (1) Fees based on money value of proposed structure; base value assumed to be \$20,000.
- (2) Fees based on money value of proposed structure; base value assumed to be \$40,000.
- (3) Fees based on money value of proposed structure; base value assumed to be \$2,000.
- (4) Zone change not always required.
- (5) Modification of Standards required only when project does not conform to zoning standards.

Building Codes and Enforcement: The City of Commerce has adopted Los Angeles County's Uniform Building Codes. These codes are considered to be the minimum necessary to protect the public health, safety and welfare. Some amendments have been made to the County codes by the City. For example, the County requires a methane protection system to be installed for single-family residences of 4 units or less located within 1,000 feet of a landfill site. The City of Commerce has authorized a standardized protection package that may be used to meet the County requirements for protection against methane gas hazards. Instead of installing monitoring systems, protective mats are placed underneath the proposed development which substantially reduces costs to the homeowner.

Local Processing and Permit Procedures: The evaluation and review process required by City procedures contributes to the cost of housing in that holding costs incurred by developers are ultimately manifested in the unit's selling price. The review process in Commerce is governed by two levels of decision-making bodies: the City Council and the Planning Commission. Those development requests that must be reviewed by both the Planning Commission and the City Council necessitate longer processing times. One potential way to reduce housing costs is to reduce the time for processing permits. Approximate processing times to be expected in Commerce are exhibited in Table H-27. Commerce's processing times compare favorably with other jurisdictions.

TABLE H-27: DEVELOPMENT PROCESSING TIME

Type of Process	Time	Reviewers
G.P. Amendments	3 mos.	Plng. Comm. & Council
Zone Change	3 mos.	Plng. Comm. & Council
EIR's	1-2 mos.	Plng. Comm./Council (some)
Tentative Tracts	2-3 mos.	contract with L.A. Co.
Site Plan Review (staff)	2 days-1 wk.	Planning Staff
Site Plan Review (comm.)	2 weeks	Planning Commission
Plan Checking/Bldg. Permits	2-4 weeks	Plng. Staff & Bldg.

Environmental Constraints

No known earthquake faults traverse Commerce, nonetheless, the City is located in an active earthquake region. Therefore, building standards should meet certain requirements in order to withstand substantial ground-motion. Unlike beach and hillside communities, the City is not subject to flooding, slope erosion, landsliding or other such hazards. Naturally occurring environmental concerns should not constrain development. Man-made hazards, however, could restrict growth to specific areas.

As mentioned before, the dust, noise, odors and congestion generated by the circulation routes and industrial operations produce potential health hazards, and residential land uses should be protected from these irritants. An additional and perhaps greater health risk involves the presence of hazardous materials and dangerous chemicals at numerous industrial sites throughout the City. New residential projects should not be located near these sites, nor should they be situated downwind from any potentially lethal substances. Also, trucks and railcars transporting those products should not travel near residential developments.

An additional concern involves historic waste dumps and disposal sites from earlier industrial uses. The long-range and uncertain hazards produced by these sites could pose problems to and limit the area of new residential developments.

1.7 Housing Opportunities

Availability of Sites for Housing

Vacant Sites: Vacant land planned for residential development is relatively scarce in Commerce. Vacant sites consist of individual scattered lots in existing residential neighborhoods; there are no remaining large tracts of vacant land suitable for housing in the City.

Review of June 1989 Los Angeles County Tax Assessor Roles provided the basis for identifying the number of vacant, residentially zoned parcels remaining in Commerce. Table H-28 calculates the increase in residential development which could occur on these parcels. According to the tax assessor roles, as of June 1989 Commerce had a total of 63 residentially-zoned vacant parcels. However, an estimated 35 percent of these parcels are currently developed with parking facilities, are utilized for utility easements, or are located near hazardous waste contamination, and are unlikely to be developed for residential use. This reduces the number of vacant parcels suitable for residential development to 41. Buildout of these 41 parcels could yield an additional 88 residential dwelling units in the City. Review of Table H-28 indicates the vast majority of these units would be high density, multi-family construction of densities up to 27 dwelling units per acre. These densities will provide the opportunity for developing units affordable to lower income households.

**TABLE H-28
CITY OF COMMERCE
VACANT LANDS SUITABLE FOR RESIDENTIAL DEVELOPMENT**

Residential Land Use Category	Development Density	No. of Parcels	Av. Lot Size	Poten DUs
Low Density (R1)	0-11 du/ac	15	3,500	15
Medium Density (R2)	0-17 du/ac	5	5,000	10
High Density (R3)	0-27 du/ac	21	10,000	63
TOTAL		41		88

Source: Los Angeles County Tax Assessment Roles, June 1989;
City of Commerce Planning Department;
Cotton/Beland/Associates, Inc.

Note: The number of vacant parcels identified by the Tax Assessor Roles have been factored down 35% to account for parcels which are currently developed with parking facilities, are utilized for utility easements, or located near hazardous waste contamination, and are unlikely to be developed for residential use.

Underdeveloped Sites: In addition to development on vacant land, there is the potential for new residential development on sites which are currently developed at densities lower than those permitted under the General Plan and zoning. Recycling of these lower density uses occurs when the intensity of use allowed in the zone more than offsets the costs of acquiring the improved site, demolishing the existing unit(s), and constructing new higher density units.

In order to identify such underutilized parcels in Commerce, existing residential land uses were compared with permitted zoning. According to the Assessor Parcel File, the City has five R-2 parcels and eight R-3 parcels developed at single-family densities. As illustrated in Table H-29, a net increase of 21 dwelling units could be developed on these parcels. These lots may develop individually in accordance with existing zoning, or may be acquired by the Redevelopment Agency for development.

**TABLE H-29
CITY OF COMMERCE
UNDERDEVELOPED RESIDENTIAL SITES**

Residential Land Use Category	Existing DUs	Potential DUs	Net Increase in DUs
Medium Density	5	10	5
High Density	<u>8</u>	<u>24</u>	<u>16</u>
TOTAL	13	34	21

Source: Los Angeles County Tax Assessment Roles, June 1989.

Availability of Public Services and Facilities: As a highly urbanized community, public facilities are available to facilitate development throughout Commerce. All of the land designated for residential use in the Low Density, Medium Density, and High Density categories is presently served by sewer lines, water lines, streets, storm drains, telephone, electrical and gas lines.

Residential Development Potential Compared with Commerce's Housing Needs: State law requires jurisdictions to provide for their share of regional housing needs. The Southern California Association of Governments (SCAG) has determined the 1989-1994 needs for the City of Commerce and has estimated the number of households which the City will be expected to accommodate during this period. Future housing needs reflect the number of new units needed in a jurisdiction based on households which are expected to reside within the jurisdiction (future demand), plus an adequate supply of vacant housing to assure mobility and new units to replace losses. These needs were forecast by the 1988 Regional Housing

Needs Assessment (RHNA), which considered on a regional and local level: market demand for housing, employment opportunities, availability of suitable sites for public facilities, commuting patterns, type and tenure of housing need, and housing needs of farm workers.

According to the model, housing to accommodate 86 households would need to be added to the City's June 30, 1989 total households by July 1994 to fulfill the City's share of regional housing needs. Based on the distribution of regional income, this total can be further divided among HUD's four income groups to identify the types of households to be provided for as follows:

**TABLE H-30
CITY OF COMMERCE
1989-1994 HOUSEHOLD NEEDS BY INCOME GROUP**

Very Low (0-50% County median income)	15 (17.4%)
Low (50-80% County median income)	19 (22.1%)
Moderate (80-120% County median income)	21 (24.4%)
Upper (over 120% County median income)	<u>31</u> (36.1%)
Total Households	86

Source: SCAG Regional Housing Needs Assessment, June 1988, as amended.

As indicated by Table H-30, the Regional Housing Needs Assessment has identified a future housing need for Commerce of 86 units to be developed over the next five year period (1989-1994). Combining the residential development potential on vacant and underutilized lands, an estimated 109 residential units could be developed in the City. This would indicate that the City's General Plan and zoning provide for a residential development capacity which is adequate to accommodate the City's share of regional housing needs.

In terms of development opportunities for lower income households, over 85 percent (94 dwelling units) of potential residential growth is allocated to higher density housing (Medium and High Density Residential), which can more readily be priced to meet the needs of the 34 future Very Low and Low Income households identified by SCAG as Commerce's future housing need.

Energy Conservation

As residential energy costs continue to rise, increasing utility costs reduce the affordability of housing. The City has many opportunities to directly affect energy use within its jurisdiction. In addition to enforcement of the Building Code and Title 24 of the California Administrative Code relating to energy conservation, the City sets forth goals and policies which encourage the conservation of non-renewable resources in concert with the use of alternative energy sources to increase energy self-sufficiency.

In large part, energy savings and utility bill reductions can be realized through the following energy design standards:

Glazing - Glazing on south facing exterior walls allows for winter sun rays to warm the structure. Avoidance of this technique on the west side of the unit prevents afternoon sun rays from overheating the unit.

Landscaping - Strategically placed vegetation reduces the amount of direct sunlight on the windows. The incorporation of deciduous trees in the landscaping plans along the southern area of units reduces summer sun rays, while allowing penetration of winter rays to warm the units.

Building Design - The implementation of roof overhangs above southerly facing windows shield the structure from solar rays during the summer months.

Cooling/Heating Systems - The use of attic ventilation systems reduces attic temperatures during summer months. Solar heating systems for swimming pool facilities saves on energy costs. Natural gas is conserved with the use of flow restrictors on all hot water faucets and shower heads.

Weatherization Techniques - Weatherization techniques such as insulation, caulking, and weatherstripping can reduce energy use for air-conditioning up to 55% and for heating as much as 40%. Weatherization measures seal a dwelling unit to guard against heat gain in the summer and prevent heat loss in the winter.

Efficient Use of Appliances - Each household contains a different mixture of appliances. Regardless of the mix of appliances present, appliances can be used in ways which increase their energy efficiency. Unnecessary appliances can be eliminated, proper maintenance and use of the stove, oven, clothes dryer, clothes washer, dishwasher, and refrigerator can also reduce energy consumption. New appliance purchases of air-conditioning units and refrigerators can be made on the basis of efficiency ratings. The State prepares a list of air-conditioning and refrigerator models that detail the energy efficiency ratings of the product on the market.

Efficient Use of Lighting - Costs of lighting a home can be reduced through purchase of light bulbs which produce the most lumens per watt, avoidance of multi-bulb fixtures and use of long life bulbs and clock timers on security buildings.

Load Management - The time of day when power is used can be as important as how much power is used. Power plants must have enough generating capacity to meet the highest level of consumer demand for electricity. Peak demands for electricity occur on summer afternoons. Therefore, reducing use of appliances during these peak load hours can reduce the need for new power plants just to meet unusually high power demands.

Southern California Edison Customer Assistance Programs

Southern California Edison (SCE) offers a variety of energy conservation services under Customer Assistance Programs (CAP). The 1989 budget allocated for these programs is estimated at \$4.5 million. These services are designed to help low-income, senior citizens, permanently handicapped, and non-English speaking customers control their energy use. All CAP participants must meet the federally-established income guidelines. Unless otherwise indicated, all services are available free-of-charge. An overview of available services follows:

No-cost Measures/Increased Rebates

Based on Home Energy Survey recommendations, customers may be eligible to receive evaporative coolers, clock thermostats, and/or weatherization services.

- Measures are installed by licensed contractors who work under an agreement with Edison.
- Hardware installations are warranted for a minimum of one year on parts and labor.
- Weatherization services are warranted for three years.
- Installations are inspected prior to contractor payment.

Relamping - Fluorescent Bulbs

This program is designed to help customers lower the cost of meeting their basic lighting needs.

- Low energy, fluorescent bulbs are installed by County representatives.
- Each household may receive a maximum of four bulbs for indoor/outdoor (porch) use.

Home Energy Survey

The survey is designed to identify cost-effective measures for the home.

- Surveys are performed by CBOs.
- Customers receive personalized results.

- Customers whose survey results recommend the installation of certain measures will be referred to licensed private/public contractors.

Energy Practices Survey (EPS)

Those who want to learn how various household behaviors affect their energy costs may complete a simple questionnaire that reveals ways to be more energy efficient. The EPS provides customers with no-cost/low-cost energy saving practices and offers a personalized prescription on how to use energy wisely and safely. The EPS is also available in several languages.

- EPS is offered in conjunction with the Home Energy Survey and Relamping services.
- Customers receive personalized results.

Residential Utility Conservation Advisory Committee (RUCAC)

RUCAC is comprised of community leaders from various interest groups. RUCAC advises SCE regarding effective ways of communicating with special-needs customers.

- RUCAC is composed of fifteen members.
- Members serve 18-month rotating terms and represent various constituencies throughout Edison's service territory.

Targeted Outreach

A variety of efforts to increase customer awareness of energy efficiency in the home and promote utility-sponsored customer service programs.

- Media articles tailored to specific customer groups will explain cost-effective ways to make their homes more efficient, outline no-cost/low-cost energy savings practices and publicize Edison's special programs.
- Direct mailers will be targeted to communities where a large percentage of customers have similar demographic characteristics.

Multi-ethnic Pilot

To improve Edison's multi-ethnic customer communications and good will, outreach workers from a CBO will contact non-English speaking customers within their own communities.

- Workers will distribute translated materials providing basic information on how to sign up for electric service, how to pay bills, efficient use of electrical appliances and available SCE programs.
- Targeted ethnic groups include Cambodian, Hispanic, and Vietnamese customers.



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